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No. 2027

CONTENTS	PAGE
INTER-ARAB AFFAIRS	
Arab Assistance to Black Africa, Other Areas (AN-NAHAR ARAB REPORT & MEMO, 17 Sep 79)	1
Arab League Move to Tunis Hinders Work (AN-NAHAR ARAB REPORT & MEMO, 17 Sep 79)	6
Baghdad Pays Front-Line Subsidies (AN-NAHAR ARAB REPORT & MEMO, 17 Sep 79)	8
Arab Economic Unity Council Statement on Arab Common Market (AL-DUSTUR, 13 Aug 79)	9
NORTH AFRICAN AFFAIRS	
Morocco Ponders Mauritanian Solution of Sahara Problem (Amin Ma'luf; AL-NAHAR AL-'ARABI WA AL-DUWALI, 27 Aug-2 Sep 79)	12
ALGERIA	
Government Campaigns Against Deterioration of Morals, Environment (Daniel Junqua; LE MONDE, 6 Sep 79)	17
BAHRAIN	
Release of Political Prisoners Demanded by Relatives (AT-TALI'AH, 31 Jul 79)	21
Student's Death Attributed to Official Bungling (AL-TALI'AH, 31 Jul 79)	25

CONTENTS (Continued)	Page
Monetary Agency Director: Economy Recovering From Recent Slump (THE ARAB WORLD WEEKLY, 1 Sep 79)	26
Briefs	
Excess Oil Revenue	29
EGYPT	
Carter Development Plan Tapped for Telephone, Transport Service Improvement (Ali Fahmi al-Daghistani Interview; AKHIR SA'AH, 22 Aug 79)	30
Future of Trade With Soviets To Be Determined in Near Future (Tahani Ibrahim; AKHBAR AL-YAWM, 18 Aug 79)	33
Governor Discusses Sinai Development Affairs (Husayn Shawkat Interview; AKHIR SA'AH, 22 Aug 79) ...	37
Expanded Use of Solar Energy Urged (Haniyah Fahmi; AL-AHRAM, 21 Aug 79)	40
IRAN	
Kurdish Uprising Causes Army Serious Problems (DER SPIEGEL, 27 Aug 79)	45
Death of Taleqani Seen Upsetting Political Balance (LE MONDE, 11 Sep 79)	50
Ayatollah Taleqani's Record Reviewed (LE MONDE, 11 Sep 79)	52
Mob Destroys Bahai Temple in Shiraz (LE MONDE, 11 Sep 79)	54
Economy Now Operating Under Koranic Regulations (Ulrich Encke; FRANKFURTER RUNDSCHAU, 29 Aug 79)	56
IRAQ	
Saddam Husayn's Choices, Trends Analyzed (AL-HAWADITH, 10 Aug 79)	60
Briefs	
Negotiations With USSR	65

CONTENTS (Continued)	Page
ISRAEL	
Arab-Israeli Balance of Power Assessed (Ze'ev Shif; HA'ARETZ, 5 Jul 79)	66
LEBANON	
Austrian, Kuwaiti Mediation in Lebanon Discussed (AL-MUSTAQBAL, 18 Aug 79)	70
Report on Lebanese Army (THE ARAB WORLD WEEKLY, 15 Sep 79)	73
Illegal Ports May Solve Port Congestion (THE ARAB WORLD WEEKLY, 15 Sep 79)	81
Weapons Purchases Said Motivated by Middlemen's Commission (AL-HURRIYAH, 20 Aug 79)	85
LIBYA	
Collective Aids Local Societies Through Cooperative System (AL-ARD, 10 Jul 79)	91
Current Produce Marketing Practices Seen as Detrimental to Farmers (Sayyid al-Jabarti; AL-USBU' AL-SIYASI, 3 Aug 79)	96
Briefs Fish Farm in Benghazi	104
MAURITANIA	
Water Conservation, Anti-Drought Measures Stressed (Editorial; CHAAB, 13 Sep 79)	105
SAUDI ARABIA	
Iron and Steel Industry To Be Launched Next Year (Muhammad al-Qahtani; AL-RIYAD, 9 Aug 79)	107
New Electric Company Licensed in South (AL-RIYAD, 25 Jul 79)	111
Briefs Irrigation Cooperation With Taiwan	114

CONTENTS (Continued)	Page
SUDAN	
Background to Firing of First Vice-President Explored (AL-SAFIR, 13 Aug 79)	115
Future Prospects of Numayri Regime Assessed (AL-SAFIR, 14 Aug 79)	119
SULTANATE OF OMAN	
Course of Oil, Mineral Development Detailed ('UMAN, 31 Jul 79)	123
Finance Undersecretary Gives Views on 5-Year Plan Financing, Inflation (Muhammad Musa Interview; 'UMAN, 21 Jul 79)	127
Iron Mill Planned for al-Rusayl ('UMAN, 14 Aug 79)	133
SYRIA	
Latakia's al-Sinn Water Project Examined (Ilyas Khuri; AL-BA'TH, 22 Jul 79)	134
Electricity, Road, Other Projects To Be Constructed in Rural Areas (AL-THAWRAH, 2 Aug 79)	138
Gen Mustafa Talas Affirms Syria's Strength To Confront All Enemies (Mustafa Talas Interview; AL-WATAN, 11 Aug 79)	140
TUNISIA	
Political Currents in Tunisia Examined (AL-HAWADITH, 31 Aug 79)	143
Results of Destourian Socialist Party Congress Assessed (AN-NAHAR ARAB REPORT & MEMO, 17 Sep 79)	148
Briefs Fears of Neighbors Reciprocated	150
UNITED ARAB EMIRATES	
Briefs Undersea Cable Link	151

CONTENTS (Continued)

Page

YEMEN ARAB REPUBLIC

Prerequisites for Rural Development Outlined (AL-THAWRAH, 6 Aug 79)	152
Progress of Water, Sewerage Projects in Provincial Towns (AL-THAWRAH, 23 Jul 79)	157

ARAB ASSISTANCE TO BLACK AFRICA, OTHER AREAS

Paris AN-NAHAR ARAB REPORT & MEMO in English 17 Sep 79 pp 1-3

[Text]

At first glance, there does not seem much to connect the slap on the wrist administered to Egypt at the non-aligned summit in Havana and a meeting of OPEC ministers in Geneva on September 27. There are, however, intimate links between the two: it was disappointment over Arab aid that fuelled African opposition to meaningful sanctions against Egypt and, according to an authoritative Saudi Arabian source, the principal topic for discussion at Geneva will be an increase in the resources of the OPEC Special Fund (*An-Nahar Arab Report & MEMO*, September 10). Sources at the Havana conference quoted by the *Associated Press* said the Africans only agreed to a compromise - condemnation of the Egypto-Israeli treaty and postponement until 1981 of any decision to suspend Egypt's non-aligned membership - after an un-named oil exporting state promised money to offset the higher prices African countries must now pay for oil. (Iraq had earlier suggested such a fund, but there have not been any reports of money being paid to Third World countries.)

A firm decision to raise the Special Fund's resources to \$2.4 billion (and not to \$1.7 billion as the Saudi source stated) would mean that it will be awash with available cash; the sum pledged, according to informed sources, could be even larger and there were some \$600 million in uncommitted funds in the kitty earlier this year. Actual disbursements have been significantly lower and the same applies for Arab aid funds intended to finance Third World development projects. What is more, a very large proportion of Arab aid has been funnelled to poor Arab states in recent years: until the treaty, Egypt was the principal recipient through the Gulf Organisation for the Development of Egypt (GODE) and last November's Baghdad Arab summit agreed to furnish \$3.6 billion a year to Syria, Jordan and the PLO to help meet the financial strains

of standing against Israel.

African disenchantment over Arab aid has been growing for some time. The Special Arab Fund for Africa to provide balance of payments loans, which was set up in 1974, had disbursed a total of \$222 million by the end of 1978, but the money went only a fraction of the way towards helping meet oil bills. Tanzania and Ethiopia each received \$14.2 million, the biggest sums given to individual states; the money paid for only 4 per cent of Tanzania's oil imports between 1974 and 1976 and 8 per cent of those of Ethiopia during the same period. According to OECD figures, total bilateral aid to 45 non-Arab states in Africa from individual members of OPEC amounted to \$71 million in 1975 and \$131 million in 1976.

Resentment came into the open at the Afro-Arab summit in Cairo in March 1977 and was only quelled after Saudi Arabia, Kuwait, the UAE and Qatar promised to earmark \$1.449 billion to develop black Africa over a five-year period. The Arab Bank for Economic Development in Africa stated recently that \$1.166 billion of this sum had been committed for specific projects by June of this year, but this figure was apparently reached by adding together commitments by all OPEC aid organisations since the Cairo summit, including that of bodies not involved in the Afro-Arab meeting. The bank's capital was increased at that time to \$180 million and it had made commitments totalling \$282.6 million by the end of last year, although disbursements then amounted to only \$65.2 million. In the meantime, the resources of the Saudi Arabian, Kuwaiti and Abu Dhabi funds have not been increased and Africans suspect that the \$1.166 billion would have come their way eventually in any event and regardless of what happened at Cairo.

African solidarity with the Arab cause which prompted most black states to break their diplomatic links with Israel in 1973 is also showing signs of cracking. Israeli has diplomatic relations today with only Malawi, Lesotho and Swaziland, all states within South Africa's sphere of influence, but Zaire indicated recently it was moving toward recognition of Israel by resuming trade union links. Ivory Coast, Liberia, Ghana and the Central African Empire are reported to be thinking along the same lines.

The slow pace at which Arab money has reached black African states is by no means entirely the fault of the donors. The emphasis on development projects by the Arab funds leads inevitably to long delays between the presentation of projects for consideration to actual payments for goods and services. This is also true for the OPEC Special Fund since it began to concentrate on development assistance (the Fund allocated about \$130 million in balance of payments support up to the end of 1978, but these loans amounted to only \$37.8 million last year, with seven

black African states receiving \$19 million of this money).

Two other factors can be blamed: the failure of many of the neediest African states to avail themselves of Arab funds because they lack the expertise to present development projects for consideration, and the reliance of Arab funds on international organisations such as the World Bank to set their seal of approval on projects before going into action. All too often, countries in desperate need of access to funds have been stalled by Arab lenders because the latter are awaiting the outcome of negotiations between the borrowers and the IMF.

This reliance upon others to take the first step before granting aid should be called into question by the Arabs. The IMF, for example, is constrained by rules which many consider to be inappropriate when dealing with the financial problems of poor nations. Are the IMF's criteria the same as those of the Arabs? Was it in Arab interests that the IMF made aid to Egypt conditional upon a reduction of subsidies on food, leading to the riots of January 1977? Is it in Arab interests to see Sudan and Turkey placed in financial straitjackets by the IMF if these restraints endanger the stability of the regimes of these two countries?

Answers to questions of this sort are needed -- and the need is urgent. Less developed countries (LDCs) which do not have oil of their own are being caught between the Scylla of higher energy prices and the Charybdis of competitive deflation in industrial nations leading to lower demand and, therefore, lower prices for the commodities upon which LDCs depend. The non-oil LDCs have coped better than many would have expected in recent years: their current balance was \$23.5 billion in deficit in 1974, rising to \$37.5 billion the next year, but the deficit had fallen to \$23 billion in 1977 before rising again to \$35 billion last year. The forecast for this year, made before OPEC raised oil prices in June, was a shortfall of \$45 billion, with the deficit running at an annual rate of \$50 billion during the first half of 1980.

Banks which recycle Arab surplus oil revenues can finance some of this deficit as they have the past. But how much? A slump in the West and a drastic slowdown in the Communist world, which amounts to much the same thing, will hit the exports of the non-oil LDCs and thereby diminish their credit-worthiness. And this is coming at a time when, according to Chase Manhattan's Chairman David

Rockefeller, "some banks may be confronted with limits of country exposure."

Not all bankers take this cautious view, of course. Dick Richardson, Director of the Development Department of the International Finance Corporation, believes that the inflow of money to the Euromarket will prompt leaders to be less fussy about credit-worthiness of developing countries that come to them for loans. "You could say that bankers are taking an increasingly liberal view of risk-taking," Mr Richardson declared in London last week. The IFC is the section of the World Bank which specialises in loans to the private sector.

It is noteworthy that \$52 billion in private capital flowed into the developing world in 1978, an increase of 70 per cent over the previous year, and that Eurocurrency loans to these countries were at almost double their 1977 levels. Current external debts of developing countries have increased from \$90 billion in 1972 to \$250 billion in 1977, with almost half of the outstanding debt at the end of 1977 due to be repaid by 1982. Private debts account for 70 per cent of monies to be repaid by 1982.

Mr Richardson said he was confident that bankers in the West would help by rolling over debts, offering re-financing or switching to loans of longer maturity. These bankers were "having to become statesmen," he said. But with so much new money being borrowed to pry off old loans, LDCs could well find it difficult to finance ongoing balance of payments deficits.

The responsibility that OPEC bears for all of this is far less than it would appear in the popular imagination. This was underscored last week by the General Agreement on Tariffs and Trade (GATT), which instead blamed the "misguided" response of certain countries to the change in oil prices for their stagflation in the near future. GATT charged that Western industrial states are undergoing a "paralysis of policy" which made them incapable of understanding the problems of inflation and unemployment. As a result, GATT declared, they were tightening their grip on world trade at the expense of the Third World. GATT described this as a "dangerously short-sighted policy, given the Third World's stabilising influence as a market for Western goods." World trade last year reached \$1,300 billion in value, according to GATT;

this was an increase of 16 percent in value compared with 1977 but volume rose by only 6 percent; about half of the difference, GATT stated, was due to the depreciation of the dollar. GATT said the West had been exporting its inflation to the rest of the world by increasing the price of its manufactures by 20 percent and it was a "dangerously wrong view" to blame the latest rise in inflation upon OPEC. GATT noted that inflation was already on the rise in mid-1978 "when the impression existed that a petrol glut was imminent."

OPEC states cannot, however, escape all responsibility vis-a-vis their Third World customers, whose very limited ability to deal with the impact of higher oil prices has meant real hardship for them. OPEC states are, of course, aware of this and the Special Fund and the various Arab funds represent an acknowledgement of responsibility. But it is questionable whether, at a time of economic upheavals, long term aid for development projects is the most appropriate form of assistance. The OPEC Special Fund's board of governors would do well if they examined the wisdom of reverting, on a temporary basis, to balance of payments loans to the neediest LDCs.

Arab funds should also look to ways to make their aid more timely and, if necessary, hire the expertise needed so that they do not have to follow in the footsteps of the World Bank or the IMF but can allocate money in accordance with their own criteria. It is in their own interests to do so because their present policy carries the risk that they will be providing buckets to the beneficiaries of their largesse after their wells have run dry.

NEW OPEC SPECIAL FUND LOANS

The OPEC Special Fund has announced six 20-year loans amounting to \$33 million to help finance development projects in Africa and Bangladesh. Four of the loans are interest-free and carry a 0.75 per cent service charge with a five-year grace period for repayment. The terms of the other two loans are noted below.

The Special Fund also extended three 15-year balance of payments support loans totalling \$10.35 million to Guinea, Niger and Rwanda. These are interest-free and bear a service charge of 0.5 per cent annually with a five-year grace period for repayment.

Loan recipients and the amounts they received are as follows:

Bangladesh - \$8.5 million for a power distribution project.

Cameroon - \$4.5 million for a line of credit to Cameroon's National Development Bank.

Guinea - \$2 million for balance of payments support.

Lesotho - \$3 million for an international airport project.

Niger - \$3.85 million for balance of payments support.

Pakistan - \$5.5 million for a thermal power generation project.

Rwanda - \$4.5 million for balance of payments support.

Zaire - \$7 million for a railway project (interest-free with a 0.75 per cent service charge; grace period 4 years only).

Zambia - \$4.5 million for financing a railway project (interest rate of 4 per cent and service charge of 0.75 per cent annually; 5-year grace period).

ARAB LEAGUE MOVE TO TUNIS HINDERS WORK

Paris AN-NAHAR ARAB REPORT & MEMO in English 17 Sep 79 p 3

[Text]

The transfer of the Arab League headquarters from Cairo to Tunis and the high-level reorganisation which accompanied the move have seriously undermined the efficiency of the Secretariat and the League's departments. This became clear at this month's meeting in Sousse, Tunisia, of the Arab Economic Council: whole sections of a wide-ranging agenda were dropped and an important report on food security in the Arab world was lost. A confidential document alleges that the former Director-General of the Arab Organisation for Agricultural Development "carried away all relevant studies and researches and refused to hand them over to the Arab League or his deputy."

The decision to transfer the League to Tunis was taken at last November's Baghdad summit as one of a series of reprisals against Egypt for signing its peace treaty with Israel. Sources at the meeting in Sousse told this newsletter that many of the Arab finance, economy and trade ministers present expressed the fear that Israel would try to exploit its ties with Egypt as a first step towards economic-infiltration of the Arab world. Because of the difficulties created by the transfer of the League's offices, this and other major issues were glossed over in short periods of "study and discussion."

In his inaugural address, Tunisia's Premier Hedi Nouira told delegates that there was a need for greater Arab unity in economic and trade matters but said there was a danger that political considerations would obstruct efforts to achieve that unity. He pointed out that the bulk of the funds held by the oil-exporting countries was deposited in the industrialised nations of the West, while the poorer Arab nations were receiving less than they should.

Emphasising the need to strengthen the flow of trade between Arab countries, Mr Nouira said also that

steps should be taken to stem the brain drain to the West of young Arab doctors, engineers and technocrats.

One concrete result emerging from the Sousse meeting was a decision to exempt Arab civil aviation companies, their affiliates and agencies from taxation in Arab countries.

Other questions raised, albeit briefly, included the creation of an Arab lobby within the World Bank and the IMF and it was resolved to make contacts to that end; the meeting decided to press for observer status for the Palestinians with those two institutions.

Discussion of the question of food security was limited and superficial and it was decided to postpone debate on the issue until next year. The last report covered seven points: wheat production, animal feeds, fisheries, the production of meat, sugar and oleagenous foodstuffs and strategic food stocks. Compiled by the Arab Organisation for Agricultural Development on the orders of the Arab Economic Council, it was near-complete when the AOAD Director allegedly refused to proceed with it.

CSO: 4820

INTER-ARAB AFFAIRS

BAGHDAD PAYS FRONT-LINE SUBSIDIES

Paris AN-NAHAR ARAB REPORT & MEMO in English 17 Sep 79 p 5

[Text]

Iraq has completed payments totalling \$520 million for this year due to Syria, Jordan and the PLO under resolutions adopted at last year's Baghdad summit, the Iraqi news agency reports. It said a first tranche of \$168.3 million was paid in February - \$91.6 million to Syria, \$61.9 million to Jordan and \$14.85 million to the PLO - a second tranche of \$174 million in May and the balance last week.

Reliable sources quoted by the *Associated Press* said the breakdown of annual Baghdad summit aid was as follows:

Donors	Recipients
Saudi Arabia \$ 1 billion	Syria \$1.85 billion
Kuwait \$550 million	Jordan \$1.25 billion
Iraq \$520 million	PLO \$350 million
UAE \$400 million	Gaza, West Bank
Libya \$550 million	inhabitants \$150 million
Algeria \$350 million	
Qatar \$230 million	
Totals: \$ 3.6 billion	\$ 3.6 billion

CSO: 4820

ARAB ECONOMIC UNITY COUNCIL STATEMENT ON ARAB COMMON MARKET

Amman AL-DUSTUR in Arabic 13 Aug 79 p 2

[Statement of the Secretariat General of the Council for Arab Economic Unity on the 15th Anniversary of the founding of the Arab Common Market, issued on 13 August 1979]

[Text] On this same day, 13 August 1964, the Council for Arab Economic Unity issued a most important resolution aimed at strengthening Arab economic co-operation. That resolution concerned the founding of the Arab Common Market.

The 15th anniversary comes at a critical time in our nation's history, a time when the challenges facing us are increasing. At such a time, the Council for Arab Economic Unity, which founded the Arab Common Market, is a torch lighting the way toward the desired economic and social progress. Many Arab countries responded promptly by putting the resolution into effect as an important step toward economic unification, furthering trade and Arab economic enterprise.

Various meetings by Arabs have noted how important it is that Arab countries join the agreement drafted by the Council for Arab Economic Unity and the resolution on the Arab Common Market. The first national conference issued a document which outlined the strategy for activity in the Arab economic sphere. The document called on all Arab countries to join the agreement reached by the Council for Economic Unity and to participate in the Arab Common Market as an effective means to harness backwardness and to realize a comprehensive and balanced national economic expansion.

The importance of the resolution on the establishment of the Arab Common Market lies not only in its objective to free trade from customs, administrative and currency restrictions imposed by member countries, but it also aims at establishing a free trade area where goods, people and currency may move freely. Protection would be extended to Arab products, and production would be stimulated, contributing to the prosperity of Arab society.

The resolution was put into effect immediately. The date 1 January 1965 marked the beginning of the lifting all customs and administrative restrictions in order to effect free trade. Exemption from all duties and all restrictions became effective in 1971.

The effect of the Arab Common Market on the expansion of trade among member countries during the last years has been obvious--the volume of trade among them as an economic block and other Arab countries has increased, as has trade among the member countries themselves.

The Council for Arab Economic Unity, however, still considers the application of the resolution on the founding of the Arab Common Market to be of paramount importance. In its desire to improve the regulations of the Arab Common Market and to apply them soundly as well as to surmount various difficulties, the Council for Arab Economic Unity issued resolution No. 791 at its 33d conference. The resolution deals with the establishment of a committee composed of high level representatives of the market member countries. The committee's purpose is to do research and work to achieve a fuller and more comprehensive membership in the market.

Notwithstanding various difficulties faced applying the market regulations, the complete exemption from duties and the elimination of restrictions amount to a substantial achievement, if one considers the economic and general conditions under which Arab countries live. The deep conviction in the importance and necessity of the Arab Common Market, however, is incentive to work hard to improve the market regulations and to achieve better results in the application of these regulations.

Arab countries, aiming at Arab interdependence, have participated in realizing Arab joint projects as a way of achieving Arab interdependence and effecting economic unity. The Arab Common Market is giving its support to this in order to realize a more expanded market so that Arab products will be more widely distributed in various Arab countries.

The decision of the Arab Common Market now runs parallel to two [sic] fundamental routes of interdependence:

Concerned efforts to coordinate plans of joint Arab projects among Arab states as one prelude to complementarity in joint Arab economic action.

During recent years there was an emphasis on these three [sic] focal points. A number of joint Arab companies were formed for the purpose of increasing the goods which the Arab Common Market and other Arab countries need. The following companies were formed:

The Arab Company for Mining, with a capital of 120 million Kuwait dinars.

The Arab Company for Livestock Development, with a capital of 66 million Kuwait dinars.

The Arab Company for Pharmaceutical Products and Medical Supplies, with a capital of 150 million Kuwait dinars.

The Arab Company for Industrial Growth, with a capital of 150 million Iraqi dinars.

The first part of the timetable for drawing up Arab credit plans has been completed. These plans are aimed at reaching an acceptable standard of effective planning among the market members on a national level to begin in 1981. In its successive meetings, the council has persevered in issuing resolutions that strengthen the functioning of the Arab Common Market. It considers this market to be a basic and fundamental beginning towards economic unity.

We are now celebrating the 15th anniversary of the Arab Common Market. We hope that next year will be an occasion to celebrate the participation of all Arab countries in the agreement on Arab economic unity and the Arab Common Market.

9378

CSO: 4802

MOROCCO PONDERES MAURITANIAN SOLUTION OF SAHARA PROBLEM

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 27 Aug-2 Sept 79 p 5

[Article by Amin Ma'luf: "Mauritania--Morocco's Gift to the Polisario"]

[Text] Bir Enzaran--Here in the middle of the Sahara, in the middle of the day, in the middle of August, the weather is not cold, the sun is not dim, the war is not far away. Less than a week ago, the spot on which we stand was the scene of the Saharan war's biggest battle to date. To the left of me, some soldiers of the Moroccan garrison had fallen at the steps of their stronghold. In front of me, some 500 meters to the south, the vanguard of the Polisario forces had dug in. Morocco concedes that it had lost 125 men, but says that it had inflicted many times that number on its enemy, while the Polisario declares that it had captured 125 Moroccans, including the deputy garrison commander. Maj Husayn Mazrat has confirmed to us here in Bir Enzaran that his deputy was wounded and captured.

Who won? Who lost? As usual, each side claims victory. After reading all available accounts and trying to ask questions on the scene, the observer comes out with the impression that the Polisario attackers had taken the Moroccan forces by surprise and dealt them a painful military blow. But the Polisario was not able to score a political or moral gain because the Moroccan people were still gripped by the ecstasy of "Dakhla Week," or what some Moroccan papers call "the complementation of the unity of national soil."

There is no doubt that the Polisario front had thrown virtually all its military weight into the Bir Enzaran battle. By Moroccan estimates, the Polisario had committed more than half of its 5,000 fighters to the attack, an estimate believed by observers to be close to the truth. Rabat also estimates that the Polisario forces had used up to 500 units of armor. Huge though it may sound, this figure is also believed to be close to the mark.

All these figures force upon us the following question: What kind of guerrilla warfare is it that involves such a large number of guerrillas who are able to gather in strength and use such a large number of armored equipment several hundreds of miles away from their bases? In Bir Enzaran, one feels the need to answer this question with the greatest degree of accuracy.

It is true that the military aspect is not the only one in this conflict, but there is no avoiding the task of understanding the strategy of this unique war to grasp the ability of each side to move and maneuver, even on the political level. The foundations of the Sahara war had been laid down by the German commander Rommel in the Libyan desert during World War II. These were then "grafted" with the principles of guerrilla warfare or the people's liberation war as exercised in the Soviet Union, China and Vietnam. It is a simple strategy in theory, though tough to implement at times.

As far as the Polisario is concerned, the problems it faces in each operation can be summed up as follows:

--Target: To move 2,000 men (the figure usually is much smaller than that) with their equipment from their bases to the Bir Enzaran area, for example, to attack the Moroccan garrison on Saturday, 11 August, and return safely to base.

--Difficulties: Landrovers cannot move in large convoys because they could be easily detected from the air on the flat and empty desert. For the same reason, convoys cannot move in daytime. Convoys also cannot always carry enough water and fuel to cross a roundtrip distance of 2,000 kilometers. A landrover cannot, for example, carry 200 litres of gasoline and 100 liters of water, in addition to its load of 6 men complete with their arms and ammunition.

--Solutions: Forces move in small numbers (usually in convoys of 3 to 8 vehicles) and at night. In the daytime, the vehicles stop in areas where there are bushes or high weeds which can easily conceal them. Water and gasoline cans, and some ammunition as well, are buried in certain locations which thus form secret supply depots for the convoys of warriors.

This war style requires a thorough knowledge of the geography of the Sahara and the patterns of life in it. It also requires close coordination among all the mobile groups so that they can converge on a target at one time, then disperse and return to their bases. And if good planning, experts in the secrets of the Sahara and modern arms, such as field guns, rocket launchers, machine guns, mines, bombs, and automatic weapons, which can be easily moved from one place to another--if all those things are available--and they are, then the Polisario fighters can make use of the emptiness of the desert--that is, roam the desert without being detected by their enemies, and strike whenever and wherever they like, except the major concentrations of the Moroccan forces.

Let's now look at the Saharan war as it is seen by the Moroccan military commanders. Their goal is not only to move a force from point A to point B at will, but, theoretically, to prevent the Polisario from attacking any Moroccan point, without having any prior knowledge of where and when the Polisario is going to strike and with what force. To repeat, theoretically the aim of the Moroccan forces is to control the Sahara area, as states normally control their territory, so that hostile military forces, no matter how small, cannot move in it freely.

This goal, however, requires one of two things. Morocco would have to set up hundreds of military centers all over the Sahara, so that each center can control the area around it, thereby making it impossible for the Polisario to move, even for short distances, within the areas controlled by the Moroccans. This solution, however, presupposes the ability to supply those garrisons by air and requires as well a standing force of some half a million men to defend points that have no economic or human value. Such a solution then is impossible. The alternative is to create a modern air reconnaissance network capable of thorough magnetic surveillance of every foot of the Sahara's 266,000 kilometers. Those surveillance and detection networks can be obtained from France (Breguet Atlantique) or the United States (Orion). They are very effective, but very costly to buy, run and maintain. Furthermore, acquisition of any such network presupposes political approval, even a partial involvement in the war, by either Paris or Washington. This is something to which Algeria will have to respond politically and economically. This alternative still stands, but it is unattainable at present. Consequently, the Moroccans cannot control the Sahara as they control the north of the country, and they have, therefore, to draw up a more modest and realistic goal in the face of Polisario movements.

That goal is to maintain a number of vital, strategic points on the coast and inland, turn them into fortified bastions, keep a close land and air surveillance of the areas surrounding them, wait for the Polisario to make a move in the vicinity of those strongholds and strike at it and maintain a conventional aerial surveillance of the Sahara as a whole to detect whatever can be detected. This alternative is less costly and "allows 30,000 Moroccans to control a land area larger than Vietnam," as a Moroccan colonel told us in El Aaiun, capital of the Sahara. This alternative, however, would leave vast tracts of the Sahara a free zone for the Polisario fighters to move about as they like, gathering in force here and there, pouncing on a Moroccan garrison or patrol then dispersing and running away for fear of aerial strikes.

As it stands now, the Saharan war cannot, therefore, be decided militarily in the foreseeable future. The Polisario will remain incapable of taking over the Moroccan "fortresses," especially the cities and towns, and the Moroccans will continue to be subject to Polisario attacks.

Of course, either side can improve its position within this general framework. Each side, for example, is trying to acquire more effective field guns and obtain equipment fitted with infra-red rays to be more able to operate at night. The Polisario might establish bases in Mauritania from which its fighters would launch into the Sahara. This would greatly expand the conflict area, to the convenience of the Polisario rebels, because it expands their scope of movement and forces the Moroccans to redistribute their forces.

The only military factor that would tip the balance is a sudden breakthrough in the level of Moroccan surveillance or a direct Moroccan onslaught against the Saharan bases in Algeria. But this is unlikely at present.

A military solution, then, is out of the question. The war cannot stop unless one of the three principal parties--Morocco, Algeria and Polisario gets tired. Quite recently, Mauritania "got tired" and withdrew, or tried to withdraw, from the war. But Mauritania's role has always been marginal, and the war can continue with it. But there will be no more fighting if the Moroccans, the Algerians or the Polisario withdrew.

There is a lot of talk in Morocco about Algeria's tiredness, and the same kind of talk in Algeria about Morocco's tiredness. The general view in Rabat is that Algerian President Chadli Bendjedid "has never been convinced of the war his predecessor President Houari Boumediene wanted to wage" and that he used to be one of the strongest critics of that war and, therefore, hopes to get out of it. The Moroccans believe that their clinging to the Sahara and that the people's support of such a position would dissuade the Algerians from continuing their support of the Polisario. Moroccan officials maintain a low key and a non-antagonistic stance when referring to Algeria and try to concentrate instead on Libya.

Observers believe that some of Morocco's calculations in this regard are correct, but that others are hopes which are difficult to come true. It is true, for example, that the Algerian people are less fired about the Saharan problem than the Moroccan people. But in the event of a direct collision between the two peoples--which is unlikely at this point--the two peoples' zeal will be equal. It is also true that the decision to challenge Morocco's decision in 1975 to annex the Sahara was personally taken by President Boumediene, and that other officials were not enthused about it, but the competition between the two countries is not of the making of one person but was superimposed by geographical realities. If it is not over the Sahara, the two countries will clash over other issues. To the Algerians, Morocco is an expansionist state which, after taking the Western Sahara and Mauritania, might want to take part of Algeria. The Algerians feel, therefore, that it is necessary to stand up firmly and strongly to any Moroccan expansionist move, no matter how small, so as to prevent a bigger one.

It is unrealistic for Morocco to bet on Algeria's sense of fatigue, especially since Algeria has been able thus far to achieve diplomatic gains and to harass its neighbor politically without paying a costly price in return.

Algeria, on the other hand, would be too optimistic if it hoped to exhaust Morocco. True, military blows can create a psychological crisis which might translate into political confusion, thus winning Algeria some "points," but the ordinary Moroccan's attachment to his national goals goes beyond any ruler or political system. Algeria cannot realistically attain a situation in which Morocco would agree to relinquish the Sahara.

What is left then is for the third party, namely the Polisario, to "tire" of its war and decide to quite. At first this seems to be an impossible move, but Morocco's policy seems to be based now on the hope of getting the Saharans out of the war not only by force, but above all by temptation.

Morocco's message to the Polisario was implicitly conveyed by King Hassan II at the Al-Bay'ah (homage) celebration of 14 August when he told "those who are fighting us" to go back to their country, Mauritania, and take part in building and developing it. The Moroccan king, however, dropped innuendos and talked in clear and direct terms at his news conference of 19 August in Fes. "If you took over power in Mauritania," he said, "we would regard this as an internal matter and would not bother you." Morocco wants to give the Polisario more than Algeria gives it. Algeria gives the Polisario arms, trains its fighters and sends them to fight for an area of 266,000 square kilometers which is controlled by the Moroccan Army and which the Moroccan people cannot relinquish, whereas Morocco is offering the Polisario to take, without fighting, all of Mauritania--a country of more than 1 million square kilometers (that is more than Morocco and its Sahara).

Can the Polisario leaders possibly accept that offer? Ideologically, they will say no. But the idea may gain currency and come close to realization without any decision being taken in that connection. Mauritania is in a state of confusion and disarray. It has changed four leaders in 14 months, and the black minority in the south is stirring and wants to join Senegal, an ally of Morocco.

It is not unlikely that the Polisario leaders will find Mauritania on their hands, and then they will have to take it. When this happens, Moroccan planners say, the Polisario will begin to act as a state, and thus abandon the Sahara war and try to establish good neighborly relations with Morocco.

Midsummer night's dream? Maybe. But the leaders of Morocco believe that the mirage can turn into reality. Their slogan today is: Leave us the Sahara and take everything else. Addressing Algeria--and the world, King Hassan, answering a question by AL-NAHAR AL-'ARABI WA AL-DUWALI about Morocco's claim of the Algerian area of Tindouf, said: "I respect Algeria's borders and have never violated them, so let them leave me alone within my borders. This is all I ask."

Will Algeria be persuaded that this is all that Morocco wants, and will the Polisario accept an alternative homeland? This is where Hassan II has laid his bets. Until that comes true, the war continues and escalates.

9254

CSO: 4402

ALGERIA

GOVERNMENT CAMPAIGNS AGAINST DETERIORATION OF MORALS, ENVIRONMENT

Paris LE MONDE in French 6 Sep 79 p 4

[Article by Daniel Junqua]

[Text] Algiers--On Tuesday, 4 September, residents of the capital on their way to work found the city in a "mini state of siege." All day long, hundreds of policemen, backed by young police officers fresh out of the police academy, crisscrossed the inner city. Their mission: to restore order and discipline in the streets, hunt down "undesirable elements" engaging in illicit activities, enforce health regulations and in short, ensure the safety of citizens.

Police patrols carrying long, black billy clubs, escorted by soldiers with dogs on leashes and followed by the Black Marias, covered even the tiniest alleys, checking ID's of "loiterers" and arresting "suspects."

Other teams saw that pedestrians used marked crossings and that drivers obeyed signals. Manu militari, they established order at bus stops where almost all day long, there were long lines and scuffles greeted the arrival of every vehicle.

Special Courts

In the afternoon, a dispatch from ALGERIE PRESSE SERVICE announced that "henceforth, delinquents, vagrants, speculators and traffickers of all types" apprehended in the course of these operations would immediately be brought before "specially convened courts." The courts, hearing cases of offenders caught in the act, will be authorized to send those convicted to work sites to be set up, where they will be assigned to public works projects. The agency stated that these decisions and the procedure were drawn up at a meeting held Tuesday morning, a meeting presided over by Prime Minister Abdelghani and attended by officials from the departments of security, the secretaries general of the ministries of Justice and Interior and the walis (prefects) of the departments of Laghouat, Saïda and Tlemcen. Observers have concluded that the work camps would undoubtedly be set up in these regions. However, the APS dispatch was rescinded an hour later without any explanation and in the evening, radio broadcasts mentioned the establishment of work camps only on a conditional basis. It would nevertheless appear that the idea has been retained.

For several days, the press had been preparing public opinion for the application of radical measures. The origin of the action undertaken is an initiative and different directives from President Chadli Bendjedid himself. On 28 August, the chief of state devoted a 4-hour work session to an examination of the situation in big cities and "to the fight against social evils threatening the country and its citizens." It was decided to direct the initial effort at Algiers, "the country's facade," before extending it to other cities. The prime minister and party coordinator Yahiaoui were entrusted with the task of drawing up, proposing and implementing measures aimed at correcting a situation that everyone here deems to be deplorable.

Commenting on these decisions on 29 August, EL MOUDJAHID wrote: "The poets that once proclaimed the splendor and white beauty of Algiers would be rendered speechless before the state of physical and moral deterioration and decay of the city, whose districts, streets, beaches and open spaces have been turned into garbage dumps -- to say the least." The newspaper concluded: "Our capital's state of health demands a strict and continuing application of regulations and demands that radical, coercive measures be taken, if such should be necessary."

The following day, the official daily went even further: "It is quite simply unforgivable that 17 years after our independence, we are not yet able to provide a proper garbage collection service, supply water to all homes, ensure the safety of our women in the streets or on buses and to protect the purchasing power of the worker. For it would be wrong, in our opinion, to use as the sole measuring stick of development the millions of tons of concrete poured or the impressive number of machines on construction sites -- especially when many are sitting idle due to a lack of bolts! -- and to proclaim arrogantly that there is a scarcity of construction materials when cement is available on the black market at 150 dinars per quintal (1 dinar = 1.20 francs)." These words would have been unthinkable a year ago, which demonstrates the determination of the authorities to look certain situations in the face from now on.

Actually, the picture that can be drawn of life in Algeria's big cities is most gloomy, without only a few exceptions. Most of the problems which citizens face daily stem from the constant increase in population. A population growth rate that is among the highest in the world and a rural exodus which the agrarian revolution could not check have joined together to boost city populations to the bursting point. Generally deserted by their European inhabitants at the time of independence, the cities have been occupied by poor people from rural areas, often ill at ease in an urban universe constructed in terms of cultural frameworks that are foreign to them in every way. At the time of independence in 1962, Algiers had some 600,000 inhabitants. That figure rose to 900,000 by 1966, 1.8 million by 1977 and the capital has most likely gone beyond the 2 million mark by now. A similar evolution has affected the country's other large cities, particularly Oran, Constantine and Annaba. Some 41 percent of all Algerians now live in cities, compared with 31 percent in 1966. By 1990, one out of every two Algerians will be a city dweller.

As a general rule, the construction of new housing has met only a tiny percentage of the ceaselessly growing needs. A few suburbs have grown up around the capital. But the old districts have remained as they were in 1962. This is what explains the extraordinary density of the crowds in the streets of Algiers, crowds that are almost oppressive, like those one sees in the big cities of Asia. In 1977, one observer wrote: "In housing units designed for families of four or five persons, seven or eight children and their parents would be crowded together, without counting the inevitable cousins. The native quarters absorb those thronging to the cities like a sponge absorbs water. It is hard to imagine how many persons can be piled together behind the unrevealing facades of old cities. Algiers' Casbah is collapsing under the weight of its inhabitants: 37,400 in 1921, 2,000 per hectare; 61,000 in 1954, 4,000 per hectare; over 120,000 in 1975, 8,000 per hectare. The occupancy rate per home is steadily rising.... On the average, three persons share the same room, even eight in some districts...." (Francois Aballea in "Habitat et Vie Sociale," No 17, April 1977, 14 Rue Saint-Benoit, 75006 Paris.)

Only the financial situation of the city can be a source of satisfaction to officials. In a paper written in 1977, a law student noted that it was perfectly healthy: "The flagrant insufficiency of projects completed -- credits carried over in 1975 totaled over 48 billion, in addition to which there were 12 billion in deductions, meaning a total of over 60 billion to be used -- explains the capital's nearly nonexistent indebtedness and the government's lack of concern regarding it," he wrote. He concluded: "The city may risk asphyxiating itself."

The authorities' alarm in the face of the overall situation is all the more understandable since the deterioration of morals is accompanied by that of the environment. In many cases, the forced inactivity of many inhabitants leads straight to crime, whether it be a question of unemployed adults or the countless young people between the ages of 12 and 16 who have been rejected by the school system. It is usually they who have their hands in a thousand things until they reach the age of the draft. They know very well that they have no chance of finding a place in the very few professional training centers. The gaps in the system of distribution and the Algerians' taste for illegally imported Western consumer goods provide them with a broad field of activity. Moreover, prostitution, although discreet, is gaining ground, along with alcoholism.

Decay of Infrastructure

The vacant buildings abandoned by the French and managed for the most part by the governorates are falling more and more into decay and EL MOUDJAHID periodically comments upon the divers manifestations of this decay: falling balconies, elevator breakdowns, and so on. Water is distributed parsimoniously a few hours a day, when it is not totally lacking, which has been the case in certain quarters for years. The system of pipes is leaking everywhere for lack of maintenance.

Strewn with all kinds of papers and rubbish, the sidewalks, entryways and basement steps are becoming choice spots for hordes of rats at night. The dog days in August made people fear for the worst and the risk of serious epidemics cannot be excluded in a city where typhoid, meningitis and sometimes even cholera are endemic.

"Relief throughout the country after the announcement of measures taken to rectify the situation," EL MOUDJAHID announced in a four-column headline on Tuesday. It cannot be denied that the Algerians reacted favorably to the presence and action of the forces of order. Nevertheless, the sight of groups of citizens waiting for the bus while being guarded by police dogs is scarcely satisfying. If they are actually set up, the forced work camps will bring back very sad memories, particularly of the camps organized in Tunisia for the young "idlers" under 30 following the bloody repression of 26 January 1978.

Some people are wondering whether measures of this type would not tarnish Algeria's reputation. Since the consequences and not the roots of the evil are being attacked, coercion may in addition be of limited effectiveness if it is not rapidly accompanied by other in-depth actions. While some of the difficulties being experienced by the Algerian cities: the lack of housing and water, for example, can only be solved through long investment efforts postponed for too long, others: street cleaning, mass transportation and the distribution of goods, could be handled relatively rapidly if the authorities concerned would follow suitable policies. In its editorial on Tuesday, EL MOUDJAHID vigorously denounced "officials who use state monies for personal ends, who neglect planning for the good of their individual gain, who block tasks of national construction by bureaucratic red tape and who make the government sector a common trough." This indictment could well announce another reorganization, this time of upper-level personnel.

11,464
CSO: 4400

RELEASE OF POLITICAL PRISONERS DEMANDED BY RELATIVES

Kuwait AT-TALI'AH in Arabic 31 Jul 79 pp 16-18

[Article: "Political Freedoms: A Focal Concern of the Masses"]

[Text] Without exception, the issue of political prisoners heads the list of concerns of all sectors of the Bahraini society. In their publication SAWT AL-'UMMAL, labor organizations have made a point of demanding the release of political prisoners. This demand has been echoed in numerous wall posters distributed throughout Bahrain by student groups. Journalists and members of the educated class are also doing their best to expose the plight of political prisoners, many of whom have been detained in excess of 4 years without trial or charges. The relatives of political prisoners have also joined the campaign by submitting a memorandum to government authorities requesting a review of the government's policy on political prisoners, some of whom have been imprisoned from 2 to 5 years. The petition underscores the fact that holding political prisoners without charges, trial or legal evidence violates the country's internal security laws, which set 3 years as the maximum limit for imprisonment on politically related activities. The petition charges that political prisoners are held under inhumane conditions and are deprived of the most elementary human rights recognized by the international community and in violation of Bahrain's own constitution. It cites malnutrition, lack of fresh air and light as causes of the prisoners' deteriorating health. It also points out that family visits are limited to 1 hour every 4 months, that prisoners are forbidden to read or smoke. Also, the prisoners' mail privileges are periodically suspended. The memorandum concludes by demanding the release of the approximately 46 prisoners, who hail from all sectors of society. They include labor leaders such as Faysal 'Arshi and Fu'ad Siyadi; a number of poets and authors such as Qasim Haddad, Ali al-Sharawi, 'Abdallah 'Ali Khalifah and Ibrahim Bashmi; as well as a number of National Council members, recently dissolved by the government, such as Muhsen Marhun and Muhammad Jabir. The political prisoners also include prominent labor movement activists such as Muhammad al-Sayyid and Ahmad al-Zawawi.

While the issue of political prisoners heads the list of concerns of the Bahraini people, it is by no means the only concern. It is only one issue

in an extensive campaign for political freedoms. The detention and imprisonment of political activists have coincided with this campaign.

Political activity by student organizations has centered on four major demands, all of which are at odds with government policy:

Repeal of legislation which forbids travel

Repeal of a government decision under which travel will be permitted only with an official permit

Freedom for the Bahrain National Federation of Students to participate in union related activities

Repeal of amendments to the passport laws.

The importance of these demands can be appreciated only when one considers the harmful effects of the government's decisions and amendments on the future of hundreds of students.

The airing of these demands, viewed as an escalation of student political activism, coincided with a class boycott by the students of Bahrain's Teachers College on 23 June 1979 in protest against the increase in tuition to 160 Bahraini dinars, an amount too burdensome for many students and certain to force them to drop out of school.

In a related development, the founding committee of Bahrain's Federation of Labor is continuing its efforts to realize human rights in a campaign that is becoming more urgent in view of a housing and transportation crisis, inflation, unemployment and the importation of foreign workers to replace laid off Bahraini laborers. The committee published a leaflet, SAWT AL-'UMMAL, to serve as the voice of the working class.

The following is a text of the petition submitted to government officials by relatives of political prisoners:

In the name of the most merciful God
His excellency the prince of Bahrain
His excellency the president of the Ministerial Council
His highness the minister of interior:

Greetings,

We the undersigned, families and relatives of political prisoners, present this petition to appeal to you to review the detention of our sons and relatives. Many of the prisoners have been held for periods ranging from 2 to 5 years. Some of them have already been detained longer than the 3 year limit set forth in the country's internal security laws, without benefit of trial, charges or legal evidence. The prisoners are held under inhuman living conditions, deprived of the elementary human rights recognized

by the international community, and in violation of the country's own constitution. The prisoners have suffered ill health due to malnutrition and deprivation from light and fresh air. They are not permitted visits by their families, and when visits are permitted they are limited to 1 hour every four months. They are forbidden to read or smoke, and their mail is periodically held up.

We request the release of our imprisoned sons. Please accept our gratitude.

<u>Name of petitioner</u>	<u>Relation to prisoner</u>
Hasan Mansur al-'Akri	Father of Jawad Hasan Mansur
Ridar Hasan al-'Akri	Brother of Jawad Hasan Mansur
Makki Ibrahim Husayn	Father of Ahmad Makki Ibrahim
Ibrahim Makki Ibrahim	Brother of Ahmad Makki Ibrahim
Mansur Husayn 'Ali	Father of 'Abd al-Amir Mansur Husayn
'Abdallah Mansur Husayn	Brother of 'Abd al-Amir Mansur Husayn
Mahmud Ahmad al-Khabbaz	Father of 'Abd 'Ali Ahmad al-Khabbaz
Mawzah Khalifah al-Shamlan	Wife of Qasim Haddad
Shaykhah Ahmad Husayn	Mother of Fuad and Jasim Siyadi
Aminah Ali Muhammad	Wife of Muhammad al-Sayyid Yusuf
Hissah Ali al-Ubaydali	Mother of 'Adil al-'Asiri
Muhammad Hamad al-Haddad	Father of Qasim Haddad
Fawziyyah 'Ali Ibrahim	Wife of 'Abdallah Mutawi
Ibrahim al-Sayyid Ali Kamal al-Din	Brother of Salman Kamam al-Din
Issa 'Ali Khalifah	Brother of 'Abdallah 'Ali Khalifah
Muhammad 'Ali Marhun	Brother of 'Abbas 'Ali Marhun
Abdallah 'Ali Marhun	Brother of 'Abbas 'Ali Marhun
'Abd al-Nabi 'Abdallah 'Awaji	Brother of 'Abbas 'Awaji
'Abdallah 'Awaji	Father of 'Abbas 'Awaji
Khalid Ibrahim al-Thawdi	Brother of Ahmad Ibrahim al-Thawdi
'Alawi Sayyid Mahdi al-'Alawi	Brother of Isma'il Mahdi al-'Alawi
Zakiyyah Sayyid 'Atiyyah	Mother of Isma'il Mahdi al-'Alawi
Khatun Salman al-Mawsawi	Mother of Muhammad Husayn Nasrallah
Zahrah, Khadijah, Fatimah, Anisah	Sisters of Muhammad Husayn Nasrallah
Muhammad 'Aqil 'Arshi	Father of Faysal al-'Arshi
'Atiqah Issa Hilal	Sister of 'Abbas Issa Hilal
'Abd al-Shahid Issa	Brother of 'Abbas Issa Hilal
Mah Rida Abd al-Rahman Zanil	Mother of Ahmad Zanil
Munirah Abd al-Latif Rashid	Mother of Abd al-Latif Rashid
Abdallah Ibn Hasan Rashid	Uncle of Abd al-Latif Rashid
Fatimah Hasan Sayf	Mother of Ibrahim Muhammad Bashmi
Hissah Salman al-Jasim	Daughter of Muhammad Jabir al-Sabbah
Faridah Ibrahim Khalaf	Wife of Abd al-Wahid 'Abd al-Rahman
Hiaa Isan	Mother of Shawqi Hamzah al-'Alawi
Fathiyyah Sallum	Wife of Shawqi Hamzah al-'Alawi
Salwa Muhammad Jabir	Wife of Muhsin Marhun
Shukri Muhammad Jabir	Son of Muhammad Jabir al-Sabbah
Jabir Sabbah Siyadi	Father of Shawqi Hamzah al-'Alawi
Fatimah al-Shaykh Muhammad Hijazi	Father [sic] of Muhammad Jabir Sabbah

Amal Muhammad Jabir al-Sabbah
Salih Hasan al-'Ajaji
Mirza 'Ali Makki
'Abdallah Hasan Khalifah
Al-Sayyid Hamzah al-'Alawi

Daughter of Muhammad Jabir Sabbah
Brother of Yusaf Hasan al-'Ajaji
Brother of Salih 'Ali Makki
Brother of 'Abd al-Karim Hasan
Father of Shawqi Hamzah al-'Alawi

9063

CSO: 4802

STUDENT'S DEATH ATTRIBUTED TO OFFICIAL BUNGLING

Kuwait AL-TALI'AH in Arabic 31 Jul 79 p 18

[Article: "Student's Tragic Death Not Accidental"]

[Text] The death of Fathiyyah Rida, a theater student at Cairo's Theater Arts Academy, which shocked the Bahraini people, appeared to lend credence to student criticism of government decisions.

The circumstances surrounding the student's death, as related by her colleagues, give an inkling of the impact of these decisions on the life of Bahraini students. At precisely 11 am on 25 June 1979, Fathiyyah Rida began to experience breathing difficulties and subsequently fainted. Academy personnel contacted 'Abdallah al-Shamlan, Bahrain's cultural attache in Cairo, who arrived a half hour after the incident. Despite insistent requests that he have the girl taken to a hospital, the attache refused and asked that the Bahraini embassy's doctor be summoned to administer to the patient. The doctor was delayed, however, and arrived at 2:30 to find the girl in extreme pain and to discover that she had not received first aid. At 3:00 the girl died, shortly after she was moved to a hospital. The death certificate attributed the cause of death to a heart attack. Although it was the attache's duty to take measures to have the student's body preserved, he did not do so and waited 24 hours until the girl's classmates arrived on the scene with a supply of ice to preserve her body. Four days later, on 28 June, the body, already beginning to decay, arrived in Bahrain. One of the dead girl's colleagues related that a doctor, upon learning of the circumstances surrounding her death exclaimed that, "a young woman between 20 and 23 years old does not die of a heart attack, and that the cause of death was more likely the lack of prompt medical attention."

The girl's classmates allege that a second cause may have been responsible for her death. According to them, the deceased girl was studying under a government scholarship and was subject to a government stipulation that a student who fails in 2 consecutive years, regardless of health or psychological reasons, will lose his scholarship benefits. Having failed for health reasons the year before, her colleagues added, this year the girl had insisted on taking her examination against her doctor's advice. Apprehensive about losing her scholarship and unable to pay for her schooling, the girl had no choice but to take the examination. The cultural attache's negligence added the final touch to her tragic death.

MONETARY AGENCY DIRECTOR: ECONOMY RECOVERING FROM RECENT SLUMP

Beirut THE ARAB WORLD WEEKLY in English 1 Sep 79 pp 11-12

[Text] The General Manager of the Bahrain Monetary Agency, Mr Abdallah Saif, asserted last week that the Bahraini economy was able of pulling through in 1978 all the problems associated with rapid economic development. In its report on economic development the Bahrain Monetary Agency recently said that the country has faced a decrease in monetary expansion with a rate of growth of both money supply and of domestic private liquidity equal to 14 percent during the year; no doubt, the stability of monetary growth at that rate during 1978, after maintaining an average of 30 percent for the past five years, 1973-77 with an inflation rate reaching 60 percent in 1976, goes along with the remaining economic activities having a normal growth and avoiding inflationary trends which took place in 1975, 1976 and the first part of 1977. The rate of inflation in 1976 was less than 10 percent while the averages for 1975 and 1976 exceeded a yearly 53 percent.

The increase of private local liquidity amounted to ED 40.02 million to reach a total of BD 402 million by the end of 1978, the major reason being the limitation on the increase of public expenditure and the organisation of operations. The rate of growth during the year which is 8 percent reflects the relatively proportionate growth of the national economy in general, especially the banking sector policy and a small number of studied, economically feasible projects.

Government expenditure increased in 1978 by 9 percent compared to an average 50 percent in 1973-77. The reduction of the rate of growth in addition to the difference of the margin of the interest rate in favour of foreign investments and the small number of investment opportunities in the local financial markets led to pressure on banks and other institutions to transfer local resources to foreign investment, as the rate of commercial banks foreign assets increased from 4.8 percent to 10.4 percent of total local assets at the end of 1978.

The growth of currency in circulation reached 6 percent rate which is equal to that of 1977 while the rate of increase of demand deposits

reached 17 percent compared to 16 percent in 1977; the time and savings deposits of the private sector increased by 14 percent, reflecting the preference by the private sector of demand deposits; government deposits increased by 36 percent increasing the money supply in its wide definition to 17 percent.

With regard to the repayment periods structure no major changes took place as the non-banks private sector deposits made up for 30 percent, as demand deposits while 20 percent are under the form of saving deposits, 10 percent are for a period of 1 month, and 40 percent exceed that maturity period.

The commercial banks could improve the liquidity of the banking sector in spite of the general form of local liquidity. This is reflected by the fall of the private sector borrowings with respect to deposits as the average rate by the end of 1978 reached 93 percent compared to 103 percent in 1977.

In the short run, liquidity improved as the rate of revenues to deposits exceeded 12 percent in 1978. The reasons of improvement of the banking sector liquidity are the small increase of lending in the private sector in addition to the increase of the payments due to banks during the year. As a result the increase in the banks' resources under the form of deposits reflected as an increase of foreign deposits and reserves at Bahrain Monetary Agency. The total lending to different economic sectors by the end of 1978 reached about BD 341 million constituting an increase of 8 percent during the year, which is equal to half the increase in 1977; while the average bank lendings during the five year period 1973-77 reached 44 percent, with a maximum rate in 1976 of 67 percent.

With respect to lending all sectors had a relative growth: lending for infrastructure and construction sectors increased by 44 percent but this is the consequence of the repayments of that sector as result of ending in a group of real estate projects and the inflow of foreign capital, that sector still makes up for 40 percent of total loan commitments; the rate of growth of the industrial sector's loans was 3 percent, it should be noted that the industrial sector benefits from a renewable lending operation under the form of promissory notes issued by Bahrain Aluminum Company.

Loans to the commercial sector increased by 2 percent only in 1978, due to the improvement of the services of the ports since the second half of 1978 as the commercial activity got more organised and quicker in satisfying local business, and consumption, and due to the turnover of capital invested in trade.

With respect to offshore banking units (OBU), Bahrain Monetary Agency report said that since the end of 1971, licences were given by the Agency to OBUs market developed unprecedented pace, reaching 42 units by the

end of 1978 in addition to licencing 6 more units that will start operation in 1979.

Along that growth there was a similar increase in the rate of growth of assets and liabilities \$23 million by the end of the year; the financial market which is three years old is considered as a recognised international financial market.

With respect to the balance of payments, the report said that it achieved a surplus of BD 44 million compared to BD 4 million in 1977; this is due to a drop in the balance of trade deficit from BD 72 million in 1977 to BD 59 million in 1978 and the increase of long term investments.

CSO: 4820

BRIEFS

EXCESS OIL REVENUE--Bahrain's economy received a strong boost as a result of a government decision to pump 45 million dinars into the local market. This decision is expected to have a powerful impact on the country's investment, real estate, commercial and consumer activities. Its effects will become noticeably visible in Ramadan and subsequent months of this year. The 45 million dinar outlay has accrued to the country from excess oil revenues following OPEC's latest decision to raise oil prices. In a related development, the drop in the value of the U.S. dollar has strengthened the Bahraini dinar. Although the value of the Bahraini dinar has been officially established in terms of the U.S. dollar, any new depreciation in the dollar's value may necessitate the formulation of a joint policy by the three Gulf states, Bahrain, Qatar and the U.A.R. to adjust the value of their currencies, relative to the dollar. In a further development, Alan Moore, director of Bahrain's Central Bank, has completed his term of service and will soon leave to join the staff of a London bank. [Text] [Kuwait AL-SIYASAH in Arabic 26 Jul 79 p 1] 9063

CSO: 4802

CARTER DEVELOPMENT PLAN TAPPED FOR TELEPHONE, TRANSPORT SERVICE IMPROVEMENT

Cairo AKHIR SA'AH in Arabic 22 Aug 79 pp 10-11

[Interview With 'Ali Fahmi al-Daghistani, Minister of Transport, Communication and Maritime Transport, by Ishaq Habib; "Telephones First and Then Solution to Transport Problems; Underground Metro Is Necessary for Cairo in Five-Year Plan; We Have Requested 4 Billion Dollars For Communication From Carter Plan"]

[Text] The Ministry of Communication is the only ministry that has presented expeditiously its needs of the foreign currency supplied by Egypt by the Carter plan for economic development.

The ministry's needs within the five-year plan extending to 1983 amount to nearly 4 billion dollars. This is what 'Ali Fahmi al-Daghistani, the minister of transport, communication and maritime transport, has told AKHIR SA'AH. The minister added that there is no surprise and no exaggeration in requesting these sums to improve the train and telephone services and the other communication services.

[Question] How were the studies to improve these sectors conducted and what are the authorities whose projects require the biggest share of the foreign currency needs?

[Answer] There is no doubt that we are all aware that telecommunications in the country are not up to the proper and required standard. Telephones are the first utility that requires large allocations to improve their service. As you also know, the requests of the citizens waiting for the installation of new telephones have amounted to nearly 500,000 requests. The biggest investment, amounting to 1.4 billion dollars, has been allocated for the telephone projects. These allocations include 1.2 billion dollars in foreign currency to improve the service within 5 years and to be spent for the following purposes:

First, the capability to supply 740,000 new telephone lines through the construction of modern central exchanges so as to meet the requests of the masses and so that there may not be a single person waiting for a telephone to be installed in his house or at his business place by the end of the plan.

Second, we have the goal of building another microwave network in Alexandria identical to the network built in the Greater Cairo and capable of raising the efficiency of the telephone service decisively.

Third, the Telephone Authority will set aside a part of this sum to build more pivotal cable networks for upper and lower Egypt and Sinai so as to link the republic by a complete telephone network.

Underground [Metro] Necessary for Cairo

[Question] I expected the underground [metro] project to top the list of the investment projects for the city of Cairo because of the extreme and vital importance of this project for the capital. What about internal transport in the Greater Cairo?

[Answer] (The minister who had been in charge of the ministry's transport planning affairs for a long time said:) When making out calculations for foreign currency requests, I made it a point to let the various forms of internal transportation take second place to telephones. Statistics have shown that the numbers of passengers and the volume of transported goods have doubled in the past 10 years. This has made us request 880 million dollars for internal transport to be used for the purchase of 2,500 buses to transport provincial passengers and, 1,000 trucks to bolster the trucking fleet. We have requested for the Public Transport Authority a total of 1,500 buses, 300 tram units and 50 fast river units [ferries] which comprise the authority's requirements in the new five-year plan.

What concerns me in the discussion on internal transport is the Greater Cairo underground metro project—a project that has been discussed over and over in the ministry for the past 30 years. This project has not been included within the five-year plan projects and in our requests for foreign currency. The first stage of this project—a stage that calls for extending the Hulwan electrified line through a tunnel from al-Sayyidah Zaynab to Ramsis Square with a length of 4 kilometers—will be implemented. This very important stage will be followed by other stages.

Railroad Development

[Question] The railroad equipment is old and outdated and most of the trains are consumed, even though the railroad is still the least expensive means of transportation. How will you begin the process of developing the trains?

[Answer] The railroad has experienced a lot of problems because of the lack of allocations to develop the facility at a time when the number of passengers is rising year after year. This is why we have requested 750 million dollars for the railroads to purchase new locomotives and to develop the signal systems so that we may raise the efficiency of the service and guarantee the safety of its lines. This is in addition to installing the

central control system in the 200-kilometer stretch from Sawhaj to Luxor and in addition to renewing the railroad lines at a rate of 250 kilometers annually.

[Question] The public is still complaining of train delays, of the fearful train accidents and of the poor service on the trains.

[Answer] Insofar as train delays are concerned, I am happy to say that nearly 90 percent of the trains are on schedule, and this is a fact that I announce to the public and will let the public hold me accountable for it, thanks to the contracts that we have concluded with the Egyptian (SIMAF) Company and a number of foreign countries.

As for train accidents and how to [eliminate] them, I will say that we have concluded a contract with the U.S. firm for a 10-million dollar loan on soft terms to set up a central control system for train routes so that we may guarantee the regular operation and movement of trains. This means that when a train moves out of a station, the train engineer will be in contact with the control room through radio. In the control room, there will be a board that will show the train while in progress so as to keep track of all the conditions of its trip.

One of the pioneer railroad projects is the project compatible with the international development toward transporting tourists by train. The ministry has concluded a contract with West Germany for the purchase of 42 sleeping cars with the aim of operating two tourist trains daily. Each of these cars is distinguished by the fact that it will be totally independent with its services. It will include a fully equipped kitchen, a cafeteria, a sitting room, a (power generator) and music. This project will cost 60 million Deutschmarks and the trains will start operating between Luxor and Aswan as of the beginning of next October, i. e. the new tourist season.

New Port in Damietta

[Question] We have talked a lot about telephones, trains and land transport. What is the maritime transport's share of the foreign currency requirements?

[Answer] In our five-year plan, we have requested 750 million dollars to implement a number of projects to bolster and strengthen and the maritime transport. Of these projects, I will mention the development of Port Sa'id port and the construction of the new Damietta port.

8494

CSO: 4802

FUTURE OF TRADE WITH SOVIETS TO BE DETERMINED IN NEAR FUTURE

Cairo AKHBAR AL-YAWM in Arabic 18 Aug 79 pp 7, 15

[Article by Tahani Ibrahim: "Fate of Egyptian-Soviet Trade Relations To Be Determined In Next Few Months; Cards With Which Soviets Are Trying To Pressure Egyptian Economic Interests"]

[Text] At the end of this year, Egypt will complete the repayment of its economic and commercial debts to the Soviet Union and only the military debts will remain.

At the same time, Moscow is using numerous cards with which to exert pressure on our economic interests.

There are Egyptian proposals that will determine the fate of the trade and economic relations after the expiration of the current protocol in the next few months.

The economic and trade relations between Egypt and the Soviet Union started after 1961.

The trade exchange between the two countries included Egyptian exports of conventional goods, such as cotton, yarn, cotton textiles, rice, onions, citrus fruits and vegetables, in addition to nonconventional commodities, such as fragrance oils, ready-made clothes, tricot, leather products, furniture, cosmetics and manual craft products.

Russian exports to Egypt included equipment, machinery, spareparts, coal, oil products, semi-processed commodities, wood, newspaper print, industrial lubricants, edible fats and some other consumer goods, such as frozen fish.

These relations continued to be the best possible until problems and pressures began after 1973 due to the Soviet dissatisfaction with the outcome of the October war and with the political changes that accompanied it. The Soviets thus started to demand repayment of the debts we owe them--debts that came about as a result of the implementation of the economic cooperation agreements and of the weapon supplies.

The Soviets have used numerous cards to realize their policy of pressure. Perhaps the most important of these cards are:

Trade exchange between Egypt and the Soviet Union was regulated by long-term agreements spelling out the volume of the commodities to be exchanged between the two countries for a period of 5 years. This system continued to be in operation throughout the 1971-75 period. But with the onset of 1976, the Soviets refused to sign such long-term agreement and restricted themselves to the conclusion of one-year trade protocols.

The trade balance between the two countries was in favor of the Soviet Union, i. e. the Soviet exports to Egypt were always more than Egypt's exports to the Soviet Union. This situation continued until 1973 when the value of the Egyptian exports to Moscow amounted to 263.9 million rubles whereas Moscow's exports to Egypt amounted to 277.2 million rubles.

The trade balance thus realized a surplus of 13.3 millions in favor of Moscow.

By 1978, the Egyptian annual exports to the Soviet Union exceeded the Soviet exports to Egypt and the balance was upturned, thus producing a surplus in favor of Egypt. According to the statistics, the value of the Egyptian exports to Moscow amounted to 289.1 million rubles whereas the value of Moscow's exports to Egypt amounted to 203.8 million rubles. The trade balance thus realized a surplus of 85.3 million rubles.

In 1978, the volume of trade between Egypt and the Soviet Union dropped to 492.9 million rubles, or 245 million pounds Sterling. This is the smallest trade volume between the two countries recorded by the Soviet trade statistics since 1969.

Pressure on Industry

In the 1976 and 1977 protocols, the Soviets intentionally dropped from their list of exports the metals necessary for the industry and war production sectors.

In retaliation, the Egyptian side reduced the volume of cotton and yarn from 77,000 tons to 65,000 tons, citrus fruits from 120,000 tons to 90,000 tons and onions from 50,000 tons to 40,000 tons.

The Soviets also imposed prices exceeding the international prices, even though the quality of the goods produced by the Soviets is lower than the quality of similar goods produced by the western industry, on the pretext that the Egyptian side raised the prices of its cotton, yarn, rice and onion exports.

While concluding its contracts in Cairo for Egyptian exports, the Soviet side also resorted to contacting the largest number of Egyptian producers and exporters to make them compete against each other so that the Soviets

may get the lowest prices. This is in contrast to the Egyptian side which concludes its contracts for Soviet exports through one monopolizing source that imposes its price and dictates its conditions.

Moreover, the Soviet side also evaded commitment to definite delivery schedules, refused to abide by the joint maritime agreement concluded between the two countries and insisted on concluding partnership contacts burdening Egypt with large ship delay fines.

The Soviets decline to supply us with a number of vital commodities on the pretext of the insufficient production of these commodities while they export them to the free currency markets.

The Soviet Union also resorted to the policy of procrastination in delivering its exports to us while exerting pressure on us to meet our export commitments.

Weakening Trade Plan

As a result of all this, the difference in trade between the two countries' exports rose in Moscow's favor to the degree that it reached 186.8 million rubles in 1975 and to 131 million rubles in 1976. This came about as a result of the Soviet attempt to expedite the Egyptian exports by following many of the well-known commercial means, such as levying delay fines or threatening to cancel contracts, while at the same time squeezing the Soviet exports to the lowest level possible so as to collect the largest part possible if the Soviet debts we owe them in the shortest time possible.

All this weakened our foreign trade plan and prevented it from realizing its targeted goals.

This is why the Egyptian side protested and asked the Soviets for the first time to sign a mutual letter pledging that the difference in the volume of trade between the two countries will not exceed 70 million rubles by the end of 1977.

But despite this, the difference in the trade balance between the two countries amounted to 85.3 million rubles by the end of 1977, according to the Soviet trade statistics.

Moreover, the assets of account No 5 opened at the Egyptian Central Bank in the name of the Soviet Foreign Trade Bank amounted at the end of 1977 to 125 million pounds sterling (in favor of) Egypt.

It is expected that the difference in trade between the two countries will amount to 200 million pounds Sterling by the end of the current year. All this has happened whereas Egypt has not adopted the measures that will stop the Soviets from realizing their goals at the expense of our economic interests.

The Egyptian side considers that it has actually repaid in the form of Egyptian commodities and exports more than the Soviet side is entitled to by this date in accordance with the cooperation agreements between the two countries. The Egyptian side considers this repayment more generous than any Egyptian, even Soviet, proposals for rescheduling our debts to the Soviet Union. All these conditions that have been imposed by Moscow require a new plan so that the trade and economic relations between the two countries may proceed to achieve the Egyptian interest first instead of realizing the Soviet interest only.

This is why the thinking of the Egyptian officials is inclined toward re-charting the future of the economic and trade relations between the two countries on the basis that Egypt supplies the Soviet Union with many of its consumer and production needs and that it constitutes a big market for the Soviet equipment and machinery production and for Soviet products from natural resources, such as wood, paper and other products.

Thus, the framework of the future trade and economic relations between the two countries must be determined at present on the basis of the exchange of nonconventional Egyptian exports that can produce no dollars, such as wooden furniture, alcoholic products, cosmetics, ready-made clothes, tricot and some types of agricultural products that are not easy to market in the free currency markets and the basis of leaving the other commodities exchanged between the two countries for open deals in free currencies. Thus Egypt will be able to purchase at the best prices from the international market because the Soviet Union is currently increasing its calculations on the basis of the computational pound Sterling by 25-30 percent. In some cases, this increase reaches 70-80 percent, as happened in case of the contract for Russian timber. This policy forces Egypt to draw up a plan, even if only a medium-range plan, for its trade exchange with the entire world generally and its trade with the Soviet Union in particular in its capacity as the biggest client, considering that the trade exchange with the Soviet Union represents 17 percent of the Egyptian foreign trade and that Egypt's exports to the Soviet Union represent 40 percent of its total exports to the world.

This plan will steer the Egyptian trade and economic interests away from the Soviet policy of pressures.

As for the military debts which the Soviet Union is asking Egypt to repay, it received for these debts naval, air, land and strategic services that are worth manyfold the sum it is demanding. The Soviet Union itself has not repaid its World War II debts to the United States and the allies.

In conclusion, the next few months will determine the fate of the trade and economic relations between Moscow and Cairo.

GOVERNOR DISCUSSES SINAI DEVELOPMENT AFFAIRS

Cairo AKHIR SA'AH in Arabic 22 Aug 79 p 11

[Interview With Husayn Shawkat, Governor of Sinai, by 'Abd-al-Raziq Husayn; "Interview With Sinai Governor on Solutions to al-'Arish Problems; There Is no Danger of Smuggling Goods Across Borders"]

[Text] What are the efforts exerted to direct al-'Arish youth and to teach them Egypt's national history and its long struggle of which they were deprived throughout the period of occupation? Does al-'Arish face the danger of smuggling goods and commodities from the other side? What about the reconstruction projects to restore life to the capital of the northern Sinai? Maj Gen Husayn Shawkat, the governor of Northern Sinai, answers these questions.

This was the inlet to the interview with the governor who started with statements concerning al-'Arish youth, saying:

It is true that the wages in al-'Arish have dropped by a large degree. But during the period of Israeli occupation, the loaf of bread was sold for 12 piasters whereas it is now sold for one piaster. During the Israeli occupation, a kilogram of tomatoes was sold for one pound whereas it is now sold for 15 piasters. A kilogram of meat was sold for 3.5 pounds and now it is sold for 180 piasters [1.8 pounds].

The governorate devotes great attention to the Sinai and al-'Arish youth. We found a state of vacuum prevailing among the youth after 13 years of occupation. The curricula that they were taught did not contain anything about Egypt and all the topics referring to Egypt's cultural history were omitted from the books. This is why a strong bridge has had to be built between Egypt's youth and the Sinai youth. A summer resort has been reserved for al-'Arish citizens at the expense of the Ministry of Social Affairs. This resort is confined to youths ranging in age from 14 to 18 years. Before heading to the resort, the youth visit Cairo's cultural landmarks after attending seminars on Egypt's cultural history.

[Question] Why do the youth complain of the slow pace in issuing them personal identity cards?

[Answer] The Egyptian administration took over al-'Arish when none of its inhabitants had any identity cards. This is why we were forced to start from the beginning. We started with a comprehensive survey to find out the number of al-'Arish inhabitants. The truth is that the task is extremely difficult. There are no suitable places for the accommodation of the civil servants who came from Cairo to carry out this task. Some of these people work from 0800 until midnight. They work out of the sense that they are facing a cultural challenge.

No Fear of Smuggling

[Question] Does al-'Arish face the danger of smuggling commodities from the other side?

[Answer] It is extremely difficult for any smuggling operations of any kind to be carried out because there is a very strict control. Moreover, the goods that can be smuggled are limited in number and difficult to transport. For example, some may try to smuggle flour because the price of a sack of flour in Egypt is 4 pounds whereas it amounts to 16 pounds in Israel. But the nature of the environment makes carrying out such action extremely difficult.

[Question] It is said that there is thinking of making use of the Nile River water to reclaim the Sinai lands.

[Answer] This is a big mistake. Those who advocate this idea rely on old studies concerning the Sinai. In past years, we thought that the Sinai is a barren desert containing no water whereas al-'Arish Valley contains enough underground water for the entire Sinai.

We Do Not Need Nile Water

[Question] This means that we do not need the Nile water to reclaim the Sinai lands?

[Answer] Absolutely, specially since the deeper we move into the Sinai the higher above the Nile River level we get. This being the case, we will need pumping plants in many areas and this will mean exorbitant costs.

The opposite is supposed to take place, i.e., we are supposed to convey al-'Arish Valley water to all parts of the Sinai.

[Question] Is al-'Arish Valley water sufficient for reclaiming the Sinai lands?

[Answer] Of course it is enough. This valley contains 12 wells and a dam, built in 1902, that retains a large volume of water behind it. From this water, a total of nearly 4,000 feddans are irrigated. With scientific calculations [sic], this figure can rise to 30,000 feddans.

Concluding the interview, Governor Husayn Shawkat said: We will continue the policy of streamlining water consumption in the Sinai. There is enough water in al-'Arish Valley for the reclamation projects and the projects to develop the Sinai. In every step, we will try to avoid the past mistakes. We now know everything about the Sinai and we have a road network that can help us rebuild the Sinai and restore life to every part in it.

8494

CSO: 4802

EXPANDED USE OF SOLAR ENERGY URGED

Cairo AL-AHRAM in Arabic 21 Aug 79 p 3

[Article by Haniyah Fahmi: "On Threshold of Solar Energy Age; Significance of Solar Heaters Atop Houses of Egyptian Peasants for First Time; Use of Solar Energy for Heating Saves 60 Million Pounds Annually in Butane Gas and Kerosine; Japan Uses 2.5 Million Heating Units; Energy Used in Water Desalination and in Cooling"]

[Text] Will solar energy become the quick solution that realizes the dream of every Egyptian to have homes in urban and rural areas supplied with hot water?

It has become necessary for Egypt to enter the solar energy age to overcome the energy problems in the country.

But when will Egypt enter the age of using the solar energy in a comprehensive way and why is this entry delayed, despite the economic benefits that Egypt can reap from the use of solar energy?

Dr Ibrahim Saqr, chairman of the solar energy laboratory of the National Research Council, says that the importance of using solar energy in Egypt is obvious from the initial statistical indicators which show that the use of solar energy in the homes of one million families as an alternative to the butane gas and kerosine heaters produces the following results:

Saving 6 million tons of butane gas annually.

Saving 30,000 tons of kerosine.

This represents for the state savings of 60 million pounds annually, not to mention the rising prices of kerosine and butane gas in the international markets.

Dr Ibrahim Saqr points out that the costs of solar heaters are not high. The cost of a solar heater for an Egyptian family amounts to just 160 pounds annually. Under the Egyptian [climatic] conditions, an area of one

square meter of a solar heater produces daily 100 litres of hot water with temperatures ranging from 50 to 60 degrees centigrade.

Dr Ibrahim Saqr also points out that the massive use of solar heaters can lead to reducing the costs of their use.

We and Solar Energy

But what is the situation regarding the use of solar energy insofar as Egypt is concerned?

Dr Muhammad Kamil, the director of the National Research Center, says that Egypt and most of the Arab countries are located within the earth's sun belt between 30 degrees north and 30 degrees south and that this belt enjoys long sunny days with high solar radiation.

To this, Dr Saqr adds that Egypt's climatic conditions create a suitable sphere for the use of solar energy. According to scientific estimates, the sun shines for nearly 3,500 hours annually and the volume of the solar energy that can be put to use amounts to the equivalent of 250 kilograms of fuel for every square meter.

The fact that Dr Saqr underlines is that every square kilometer [of space] in Egypt can produce solar energy equal to that of 25,000 tons of petroleum fuel.

Dr Muhammad Kamil, the director of the National Research Center, points out that the world is resorting to the use of solar energy in an ever-increasing manner, even though the climatic conditions are not as convenient as those of Egypt. The conditions in Egypt make the costs of generating solar energy lower than the costs of generating this energy in the West European countries, for example.

Dr Saqr adds that Japan has made big progress in the sphere of solar energy use. There are in Japan currently nearly 2.5 million solar heaters. Seven years ago, Japan was boasting that it was the country with one million solar heaters.

Solar Heater

A solar heater in its simplest form consists of a metal absorption plate painted black and capable of absorbing the largest degree possible of sun rays and of reducing their escape to a minimum, focusing the rays on channels through which cold water passes, gets heated and emerges hot from a higher end.

The productivity of the heater is measured in comparison to the area of the glass pane. On the average, the solar heater produces daily 100-120 liters of hot water at temperatures of 55-60 degrees centigrade for every

square meter of the absorption area. Such a heater operates from sunrise to sunset, in periods when the sun is not clear and also with scattered rays.

This heater uses a clean energy that produces no exhausts to pollute the environment, in addition to its absolutely safety. The solar heater requires no maintenance or operation costs. Dr Saqr says that the cost of an imported solar heater is about 320 pounds whereas the cost of a locally manufactured heater amounts to just 150 pounds. Efforts must be channelled toward the large-scale production of solar heaters locally so as to take advantage of their low production costs.

Energy Shortage Problem

Dr Muhammad Kamil stresses the importance of devoting attention to solar energy because the world has begun to suffer in recent years from a real shortage in the conventional sources of energy, such as coal and oil, as a result of the enormous increase in the international rates of consumption. On the other hand, the definite oil reserves in the world, especially in the Middle East which is considered the biggest producer and exporter of oil in the world, are expected to be consumed within a period of 20-30 years if the production continues at its present rates.

Moreover, the cultural progress of the Egyptian society, the industrial development and the increased use of the equipment and machinery that relies on energy in all the spheres of production, including the agricultural sphere which relied for long centuries on manpower and animal energy, now rely fundamentally on the availability of the necessary energy sources.

The energy source available to Egypt and on which the efforts must be focused is the solar energy. The sun is considered a source of energy because it shines strongly over Egypt throughout the year. What is more important is that the sun is a clean source of energy that causes no pollution.

Fresh Water

Dr Ibrahim Saqr also says that solar energy can contribute effectively toward water desalination along the Red Sea coast and the northern coast of the Mediterranean Sea, that this energy is characterized by low costs and that it does not require high technical capabilities for operation.

Solar Distiller

But what is the shape of the solar distiller and what are the costs of the production of a ton of fresh water?

A solar distiller consists of a basin for saline water that is grey or black in color to absorb the solar energy. It is covered by an inclined

glass roof to guarantee that steam does not escape from this space. Water in the basin evaporates and condenses on the internal side of the glass roof, flowing into side tanks from which water is drawn for use.

The production of a square meter of roof area is estimated at 3-5 liters of water daily. The costs of the production of a ton of water in this way range from one pound to 1.5 pounds.

However, these costs must be compared with the costs of transporting a ton of water from areas where this water is available to remote areas. The water produced in this way can be used to develop the northern coast of Egypt, as well as the Red Sea coast.

Solar Cooling Also

Dr Saqr says that cooling with solar energy is considered one of the most immediate applications of solar energy at the practical level because the higher the temperature the greater is man's need for cooling.

The refrigerators operating on solar energy are very similar to the refrigerators that used to operate on butane gas and that were in use in rural areas where no sources of electricity were available. These refrigerators operate on the basis of the absorption principle.

For example, this refrigerator uses a solar pane to heat the (frion) gas which in turn heats and liquefies the (emerina) solution, thus generating the cooling energy.

A solar energy refrigerator has been developed through cooperation between the National Research Center, represented by the solar energy laboratory, and German expertise. This refrigerator consists of a solar pane for heating and a cooling chamber with a size of 11 cubic meters and a one-ton capacity. This refrigerator can cool to low temperatures of 5 to 8 degrees [centigrade]. Bigger refrigerators can be built, depending on need.

Electricity and Metal Melting

Dr Ibrahim Saqr further says that there are numerous spheres in which modern science is researching the possibility of using solar energy, such as generating electric power, building solar furnaces for melting certain types of metals that require temperatures higher than 3,000 degrees centigrade and the use of solar energy to generate steam for operating turbines under high pressure and temperature, as is the case in the electricity plants. This is in addition to using solar energy for cooking. The problem is that the costs of these applications and others are still high in comparison to the costs of the conventional forms of energy.

For Egypt to benefit from solar energy, Dr Ibrahim Saqr demands that attention be given to manufacturing solar energy equipment, especially

heaters, to pave the way for spreading the use of such equipment, especially in new houses. He asserts that this is easy to implement at small costs. He also underlines the importance of alerting the citizen to the use of solar energy as an inexpensive and clean source of energy that saves the citizen costs, guarantees him safety and, at the same time, overcomes the pollution problem that has become one of the serious problems causing concern to modern societies. Solar energy is cheap and clean and Egypt has a lot of this energy, thanks to its weather both in winter and in summer. The world is expanding the use of this energy because of its numerous advantages, so what are we waiting for?

8494

CSO: 4802

KURDISH UPRISING CAUSES ARMY SERIOUS PROBLEMS

Hamburg DER SPIEGEL in German 27 Aug 79 pp 122-124

[Text] Khomeyni is waging war against his country's most militant minority, the Kurds. They, however, are ready for him—trained by the former shah's generals.

"If positive results are not forthcoming within 24 hours," Iran's ruler Ruhollah Khomeyni warned, "the chiefs of the armed forces and the state police will be held accountable."

The Ayatollah was referring to positive results he expected his soldiers to achieve in their fight against the Kurds. And, to lend more weight to his threat, he named himself "Supreme Commander of the Armed Forces." "The army," the combative holy man of Qom complained, "has failed to establish order in Paveh. Paveh, a town on the Iranian-Iraqi border, under siege by Kurdish insurgents, was being defended by Khomeyni's paramilitary "Guardians of the Revolution." Mostafa Chamran, the vice-premier and head of Savama, the new secret police, had made haste to help the defenders and to supply them with ammunition.

But, marching orders or no, the army was hardly in evidence. "We have sent off units of the revolutionary militia as well as regular troops to reinforce the defenders of Paveh," defense minister Taqi Riahi was heard to say. But, "they have not yet reached the town because of the difficult terrain and the fact that the mountain passes are held by the Kurds."

The Kurds, after downing two Phantom jets, overran several sections of the town and proceeded to behead 18 of the revolution's guardians. Vice premier Chamran and his militiamen regained the upper hand some time later. Net result: 400 dead.

Khomeyni dispatched his chief executioner, Sheikh (Ayatollah) Sadegh Khalkhali (to Paveh), who has made a practice of asking (local) Khomeyni committees immediately upon arrival: "Whom would you have me put to death?" Without delay the Shiite pope's grand inquisitor ordered the execution of

32 Kurdish prisoners. He had found them guilty of "being corrupt on earth and of fighting God and his prophets."

It is open to doubt whether this course of action will succeed. The Kurds, at any rate, are in no mood to give up the fight. Last Friday, 2,000 heavily armed Kurds attacked the garrison at Saqqez. The beleaguered army unit used Phantom fighters, assault helicopters and artillery to defend itself.

Since the Shah's overthrow, the Kurds have been trying to assert their claims to autonomy: They took 60 railroadmen hostage and paralyzed rail traffic between Iran and Turkey. They attacked six border posts and disarmed the guards. Eleven villages are said to have fallen into their hands. They forced the 64th regiment, stationed in Urumia, to retreat and took twenty officers prisoner.

When the Kurdish citizens' committees in Marivan, a small city of 10,000 near the Iraqi border, were to be replaced by Khomeyni's "Guardians of the Revolution," the population quit the city in protest and took to the neighboring hills for two weeks. The heavily armed men who stayed behind received the revolutionary guardians with a mortar barrage.

Some 10,000 inhabitants of the city of Sanandaj, 50 kilometers away, marched off to help the people of Marivan. Along the way, they were joined by another 10,000 villagers. At the approach of 14 M-47 tanks, sent by Interior Minister Hashem Sabaq-ian, the men, women and children prostrated themselves on the road (to block their path). This prompted the soldiers to turn back.

A telegram addressed to Khomeyni by the provisional city council raised the threat of the people of Marivan asking for political asylum in another country. As a result, the latter (Khomeyni) withdrew his militiamen.

Like the Kurds, the Arabs in southern Kuzhistan, their neighbors, the Bakhtiars as well as the Baluchis on the Afghan border are all locked in combat with the Center in Tehran. Though each of these ethnic groups is by itself only a minority, all of them together make up more than half of Iran's population.

"Once the minorities decide to demand their share of the pie," a Tehran military expert asserts, "there is nothing to stop them in present-day Iran."

Least of all the army. The new commander-in-chief (i. e. Khomeyni) has personally seen to its emasculation. Of 500 of the Shah's generals he retained no more than thirty. General Riahi, Iran's defense minister, says: "I believe it was a mistake to dismiss almost all the officers."

Those who weren't fired left of their own accord. The air force chief, General Afshar Inamian, resigned his post when foreign minister Yazdi elected to sell the seventy-eight F-14 fighters equipped with the world's most

advanced air-to-air missiles. Iran had already invested 5 billion dollars in these swing-wing aircraft. Even Prime Minister Mehdi Bazargan complained: "It will be a tremendous loss."

When Khomeyni trimmed the military budget by 60 percent last July, he had already reached his goal of cutting the armed forces in half. By now, 230,000 members of the Shah's army at the outside are still on the government payroll; according to some, there may be only 120,000.

Even these (remaining soldiers) are completely demoralized. Hardly anyone in the 151st Brigade, for example, still bothers to wear a uniform; one soldier out of four stands guard in civilian clothes; even officers dress casually for fear of arousing their subordinates' enmity.

In place of helmets or caps, the soldiers wrap old T-shirts around their head. In place of shoes, they wear sneakers, sandals or even slippers--boots are an exception. Only one toilet in the compound is still working. The American tanks are still around, but hardly one is operational.

The fact is that the military have spent most of their time since February forming committees and devoting themselves to political discussion. So-called "revolutionary units" of the air force, for instance, refused to accept the officers appointed by the general staff and proceeded to elect their own commanders.

Marine infantrymen agreed to haul crates only on condition that their officers lent a hand as well. "We are all equal now," one of them declared.

In Khuzistan, a young officer refused to obey an order to fire on Arab workers who were demonstrating. He did not want to run the risk of being indicted at a later date "for having oppressed the people." And, an air force squadron could not take to the air because the pilots did not approve of the orders they had been given.

In Urumia in western Azerbaijan 200 soldiers of the 64th army division set the military barracks on fire on 7 August to protest the execution of a Colonel Ibrahim Hushangi and a Sergeant Iskanderi.

The two had been shot a day earlier for allegedly opening fire on demonstrators last February. The truth, however, was that they had refused to do so.

The soldiers, for their part, said they would not obey further orders from Tehran until and unless the judges (who had sentenced the two men to death) were themselves made to face a court martial.

Nor can Khomeyni rely upon the air force any longer. The "Homaphar," the well organized ground technicians, who closed Iran's airports to Khomeyni during the Shah's regime, went on strike this summer to seek better working conditions and a greater voice in determining the future of the air force. Khomeyni turned a deaf ear to their demands.

Not even the officers still consider it their duty to obey orders. A case in point: Brigadier General Rahimi refused to accept his dismissal by the defense ministry. "I have 7,000 armed men at my disposal," he said. "I am stronger than the ministry."

The first commander-in-chief of the armed forces resigned his post because he was unwilling to recognize the then defense minister Madani as his superior. General Farbod, his deputy, left the service because he was opposed to the Iranian military "being used to suppress political demonstrations." "The army is sick," dissenter Rahimi opined, "and its commanders are inept."

And so, commander-in-chief Khomeyni had nothing to fall back on except his paramilitary "Guardians of the Revolution." These special forces, called into being last May, now number about 30,000 men and are responsible only to the secret, religious "Revolutionary Council." The guard, trained by Lebanese Shiite guerrillas, was originally meant to infiltrate both the army and the police--a kind of military version of the Savak.

But now it must go into combat instead. When Khomeyni gave the signal for the campaign against the Kurds, his guards commandeered taxicabs, trucks and even one double-decker municipal bus in Tehran. The drivers were ordered to head for Kurdistan without a moment's delay.

But their opponents there (in Kurdistan) represent a force which the Khomeyni hordes can hardly hope to match for the time being. The Kurds, in a sense, are for Iran what the Gurkhas once were for the British army: a fearless body of crack fighting men.

They (the Kurds) along with the other minorities, the Azerbaijanis and Khuzistanis made up over a third of the pilots and half the ground crews of the air force. When Khomeyni called upon the members of the army to desert some time ago, the Kurds--80,000 or 90,000 strong--cut and ran, taking their weapons with them in most cases.

Led by the Shah's generals Ali Mosseyn Palisban and Qolamali Oveysi, they (these Kurds) now constitute the principal armed forces contingent, along with the marines of the area around the port city of Khorramshahr on the Persian Gulf.

The officers joined forces in Paris, where the Shah's last prime minister Shahpur Bakhtiar has his headquarters. It is there that General Palisban surfaced on July 31. "The army may not be 100 percent for me," Bakhtiar muses, "but is one hundred percent against Khomeyni."

The "Organization of Free Officers" aims to coordinate resistance (to the Khomeyni regime) from abroad. It provides the Kurds with arms and military training. In the Kurdish combat zone anti-aircraft and anti-tank weapons such as the Soviet RPG-7 have already been observed. In Paveh, the units recruited by Palisban fought shoulder-to-shoulder with the Kurdish insurgents.

Financial support for the generals comes from Ardeshir Zahedi, the Shah's last ambassador to Washington, who was Liz Taylor's swain. Not long ago he (Zahedi) put in an appearance on the Iraqi-Iranian border to hand over to Palisban the funds necessary for arming Kurdish legionaries—a total of 200 million dollars.

9478

CSO: 4403

DEATH OF TALEQANI SEEN UPSETTING POLITICAL BALANCE

Paris LE MONDE in French 11 Sep 79 pp 1, 5

[Article: "The Death of the Ayatollah Taleqani Strengthens the Intergralist Camp Within the Shi'ite Clergy"]

[Text] The Iranian capital was paralyzed Monday morning, 10 September. Hundreds of thousands of people invaded the main arteries of Tehran to attend the national funeral organized for the Ayatollah Taleqani, who died of a heart attack in the night between Sunday and Monday. Feeling indisposed, the leader of the progressive clergy, who had had a long conversation with the Soviet ambassador, succumbed a few hours later. His disappearance strengthens the camp of the integralists within the Shi'ite clergy.

In an interview granted to Marc Kravetz, special correspondent of LIBERATION, the secretary general of the Democratic Party of Iranian Kurdistan (PDKI), Mr Abdul Rahman Qassemlou, who has fled into the mountains in the western part of Iran, announced that the resistance of the Kurdish autonomists will be continued at all costs. "Our war has not yet begun," he declared.

"The Ayatollah Khalkhali, traveling judge in the Kurdish country, accused the PDKI of having taken hostage a hundred Iranian military men, Islamic militiamen, and businessmen and of having "taken them to Iraq." Thirteen of these hostages, he indicated, were freed Friday night, 7 September. The head of the general staff, General Hossein Shaker, accused the PDKI of having shot down in cold blood 28 Iranian soldiers on the announcement of the loss of Saqqez. In this same town, reported the Tehran press, four more Kurdish autonomists were executed at the order of the Ayatollah Khalkhali. The latter stated that he had condemned to death "only" 53 Kurdish militants. However various official communiques published in Tehran in recent days indicate that the number of executions has actually risen to 100.

The Kurdish Resistance Will Continue

In his interview granted to LIBERATION, the secretary general of the PDKI, Mr Qassemlou, insists that the Kurdish autonomist movement has not suffered a military defeat. The peshmergas (Kurdish fighters) had voluntarily retreated from the towns to avoid useless human and material losses. "We are preparing for a long war, a guerrilla war throughout all of Iranian Kurdistan, and we will pursue it till victory, till the autonomy of Kurdistan in the framework of a democratic Iran," he said. For that purpose he is planning the creation of a front with three organizations, which he specifically cited: the National Democratic Front (of Mr Matine Daftari), the Fedayeen of the People (Marxists), and the Mujahidin of the People (progressive Moslems). Mr Qassemlou assured the journalist that the peshmergas lacked neither arms nor munitions.

The secretary general of the PDKI claims that the Iranian pilots who refused to participate in the operations against Kurdistan had been replaced by Americans. In this regard he said: "We are practically certain (...) that American pilots participated in the raids by Phantoms against Mahabad." The Kurdish services are said to have intercepted messages between these aircraft and their bases.

On the other hand Mr Qassemlou admitted that the Kurdish forces had taken away with them some 200 Iranian prisoners and that he had had four of them executed. He reserved the right to pronounce further death sentences if the forces of order continued to murder Kurdish militants.

At Tehran the two main dailies, KEYHAN and ETTELA'AT, were nationalized on Sunday, 9 September. A communique announced that "the property of the founders of these two newspapers and of members of their families has been seized for the benefit of the Islamic Foundation of the Disinherited."

Finally it has been learned from Taif (Saudi Arabia) that the Iranian minister of national orientation, Mr Minachi, had an interview with the head of government and crown prince, the Emir Fahd, in the presence of the Emir Abdallah, commander of the national guard. It was the first meeting since the establishment of the republic in Iran between a member of the Tehran government and Saudi leaders.

6108
CSO: 4900

AYATOLLAH TALEQANI'S RECORD REVIEWED

Paris LE MONDE in French 11 Sep 79 p 5

[Article by "E. R."]

[Text] Considered the leader of the progressive clergy, the Ayatollah Taleqani leaves a void in the Iranian political scene which will be difficult to fill. His disappearance from the scene will doubtless accentuate the imbalance for the benefit of the religious integralists who for several weeks have held the spotlight.

Despite the repression which has recently been beaten down upon them liberal or leftist lay organizations had not lost hope that the Ayatollah Taleqani might some day play a prominent political role. In spite of the violations of liberties, he headed the ten elected from Tehran to the Constituent Assembly designated last month in number of votes cast. Immensely popular, his public appearances attracted tens, and sometimes hundreds of thousands of listeners. Of average height and frail appearance his eyes glittered with intelligence, and a long white beard accentuated the sweetness which emanated from the face of this septuagenarian with the persuasive voice.

His resistance past earned him the unanimous respect both of his partisans and his most fervent adversaries, who never dared to criticize him publicly. Born in Tehran, the Ayatollah Taleqani had set himself against the regime of the Pahlavis when he was still a student at Qom. Since that time he never stopped struggling against the monarchy, especially within the Movement for the Liberation of Iran, which he had founded with Mr Mehdi Bazargan. Sentences several times, he spent more than 11 years of his life in prison. Freed last 30 October in the midst of the popular insurrection, more than 250,000 people came to do homage to him.

During his years of internment, this deeply pious religious dignitary became friendly with Marxist militants whom he had come to appreciate and respect. That is why he had courageously taken the position, after the accession to power of the Imam Khomeyni, in favor of the legalization of all the parties of the left or extreme left, including

the Communists. Closer to the Moujahidin of the People (progressive movement), the latter consulted him regularly. The Fedayeen of the People (Marxists) lost no occasion to do him homage.

His differences with the Imam Khomeyni were many. In a certain sense he favored a lay state, since he desired that the republican constitution, although based on the precepts of Islam, be distinct from the Koran. In practice he was favorable to a fusion of the religious and lay movements for the sake of a common struggle "against imperialism and for social progress." He particularly favored worker self-management. Again he was the first of the religious leaders to declare clearly in favor of broad autonomy for the ethnic minorities. He thus acted as a mediator between those in power and the various autonomist movements: Kurd, Turkmen, Baluchi, and Arab.

His differences with the Imam Khomeyni in no way encroached upon his loyalty to the "guide of the revolution," whom he considered as the guarantee of the continuation of the anti-imperialist struggle in Iran. Since last February he had withdrawn from the Council of the Revolution before denouncing the presence of "SAVAK ist mullahs" in the entourage of the Imam Khomeyni.

But he always avoided a confrontation with the Imam Khomeyni by more often retreating into silence. Nevertheless he clearly took a stand in favor of the recent repressive measures taken against the rebel Kurds, and accused their chiefs of "treason."

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CSO: 4900

MOB DESTROYS BAHAI TEMPLE IN SHIRAZ

Paris LE MONDE in French 11 Sep 79 p 4

[Article by "E. R."]

[Text] A new and grave aggression has been committed against the Bahai minority in Iran early in the morning on Saturday, 8 September; about a hundred people, including 40 armed men, attacked in Shiraz the "holy house of the Bab, one of the most venerated sites of the Bahai faith. The attackers, led by the administration of habou property (awks) tore off the doors and windows and destroyed them, and then knocked down the walls of the building.

The French Bahai information office (11 rue de la Pompe, Paris, 16^e) which reported the attack in a communique, said that the demolition of the sacred house was continued on the following day. It was in this place that the precursor of the Bahai religion, the Bab (1819-1850) announced his message to his first apostle. The sanctuary, built at the end of the 19th Century, beside its architectural interest is one of the main places of pilgrimage for the Bahais, distributed in 88 localities over five continents. It had been seriously damaged in 1955 during the persecution unleashed by the Shah against this community, which has more than 300,000 adherents in Iran. In spite of its size--it is the most numerous religious minority of the country--the draft constitution presently under study, like the basic law under the monarchy, does not recognize its existence and, consequently grants it no parliamentary representation.

The destruction of the Shiraz sanctuary is not an isolated measure. In recent weeks various state agencies have dismissed a number of officials of the Bahai religion and have stepped up harassment of members of the community. The persecutions, incited, it seems, by the mullahs, had begun before the fall of the monarchy. In December some 400 houses had been pillaged or destroyed in Shiraz. Small scale pogroms occurred in various provinces. Shortly after the return of the Imam Khomeyni to Iran, Islamic militiamen invested and occupied all the Bahai holy places in Tehran and the provinces.

A religion which preaches love and the unity of humanity, Bahaiism was born of the denunciation of the sclerosis and corruption of the Shi'ite mullahs by the Bab, himself a Shi'ite Persian from Shiraz. The government had him shot in 1850. Since then the Bahais have been living in semi-clandestinity in most Moslem countries, although they recognize the divine character of the Koran as well as Mohammed's status as a prophet. The new government in Iran accuses them, among other things, of being "agents of Zionism, the shah, and the imperialist forces." The leaders of the community refute these accusations by pointing out that the world center of the Bahais was established in the Holy Land in 1868, and therefore well before the creation of the state of Israel; and, furthermore, that persons who had accepted posts of some importance under the monarchy had been excluded from the community, which prohibits its members from engaging in any political activity.

This new flame of fanaticism in Iran worries not only the Bahais, but also the other religious minorities, among which the new Islamic republic is arousing a growing disquiet.

6108
CSO: 4900

IRAN

ECONOMY NOW OPERATING UNDER KORANIC REGULATIONS

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 29 Aug 79 p 3

[Article by Ulrich Encke, Tehran: "The Big Bazaaris Sell Only For Cash"]

[Text] Iran is presently taking steps against profiteers. A few days ago, three merchants in the holy city of Qom were publicly flogged; according to the revolutionary tribunal, they had taken advantage of the supply shortage and had sold their goods at exorbitant prices.

A decree stipulates that profiteers be publicly flogged before the Friday noontime prayer. In simpler cases, the guardians of Islamic morals only seize the goods and sell them at lower prices; for a period of 1 week, they post a sign indicating that the respective store is owned by a merchant who has violated the precepts of the Holy Koran. During this week, the merchant is not allowed to close his store. This regulation is the only indication that in postrevolutionary Iran new, i.e. Islamic, organizational concepts are being enforced.

This decree is the only one of this kind. As yet, there is no trace of an Islamic concept of economic organization. Without leadership, the Iranian economy is drifting toward total collapse. At the beginning of June, the banking and insurance sectors and large parts of industry were nationalized. What many observers suspected at that time has now been confirmed: The nationalization decree was not an expression of a new economic policy, but the result of political helplessness.

In view of the increasing economic difficulties, the state pulled the emergency brake, but the descent could not be halted. In the banks and insurance companies, the chief executives were replaced; however, economic expertise apparently was not everywhere the determining factor in this reshuffle. Foreign businessmen complain about the fact that negotiations on a level of competence are frequently impossible now. Management decisions are hardly ever made any longer. Due to poor organization, it takes a long time for orders to be filled. So far, these have been the only consequences of nationalization. The 37 Iranian banks continue to compete with each other as

though nothing happened. The credit charges vary by as much as 50 percent. In the opinion of Islamic economists, six to eight banks would be more than sufficient; so far, however, there has been no concentration.

After the nationalization decree had been passed, it turned out that there was no legislation concerning mergers nor any concrete ideas regarding the implementation of this concentration, but work on this is presently in progress. According to the bankers, it will take from 2 to 5 years for the nationalization decree to show concrete results. The elimination of all interest charges--which are condemned as usurious by the Koran--will take a few years longer.

Similar conditions prevail in the insurance sector. So far, the only ones to benefit from the nationalization decree have been the insurance brokers whose work is regarded as parasitic and thus superfluous. According to the decree, the nationalized insurance companies and industrial enterprises may only in exceptional--authorized--cases work with insurance agents. The firms are trying as much as possible to take advantage of this exceptional disposition. Due to the lack of expertise and the fear of organizational difficulties, the foreign insurance agents left in Iran--profiting from the large volume of orders from the nationalized enterprises--are the only businessmen in Iran that have been able to expand.

In the industrial sector, the conditions are even worse. So far, the chief executives installed after the nationalization have not been able to explain what nationalization actually means. Moreover: It is still not clear what enterprise units were in fact nationalized. In many enterprises, it was apparently only the personal interests of industrialists discriminated against on account of their close ties with the Shah that were nationalized--but nobody knows for sure.

This has resulted in intractable legal disputes. Foreign enterprises that want to collect outstanding debts get entangled in the jumble of indeterminate responsibilities. Some enterprises, on filing their insurance claims, found out to their surprise that their interests in Iranian enterprises had not been nationalized.

This confusion--although not the determining factor--is one of the reasons why in spite of the fact that 6 months have passed since the victory of the revolution the Iranian economy has not revived. Now as before, it is only the foreign currency receipts from oil exports that cover up the total economic collapse. In spite of the drop in export volume, Iran has been receiving more petrodollars than it did under the Shah. On account of the global oil price increase, 23 billion U.S. dollars flow into the country every year.

Blaming unfavorable weather conditions in the Persian Gulf, the director of the Iranian National Oil Company, Hassan Nacih, admitted a decline in oil production. To analyze the problems involved, the Ayatollah Khomeyni dispatched a delegation of clergymen to the south. The mullahs are not likely to visit the Abadan weather station. The governor general of the oil-producing state of

Khasistan, Ahmed Madani, frankly conceded that the drop in oil production could to some extent be attributed to ideological disputes among the workers in the oil fields and refineries.

There is no doubt that Iran has sufficient foreign exchange reserves, but they are of little use to the economy, since the conversion of petrodollars into capital goods is quite problematic. The money cannot simply be distributed, if a further rise in the rate of inflation--now at approximately 45 percent--is to be prevented.

Rich in terms of money, the country is nevertheless poor. A \$2 billion credit program produced hardly any results, since the capital requirements of industry are much greater; for the most part, the enterprises used the credits for paying off old debts so as to reestablish their contracting capacity vis-a-vis their foreign business partners.

In entering into new business relations, the foreign enterprises have begun to insist on the presentation of a binding sinking plan. Due to the massive flight of capital abroad, many enterprises no longer have any capital resources. Nevertheless, they now have to pay off their old bank debts and the liabilities from previous contracts; in addition, when entering into new contracts, they are frequently required to deposit in full the amount of invoice. Without a letter of credit, it is now impossible to conclude business contracts with foreign enterprises.

The domestic contracting partners have begun to take the same precautions. The big bazaaris sell only for cash. This requirement exceeds the financial capabilities of most Iranian enterprises that in terms of organizational preparation would be in a position to resume production. Consequently, the machines continue to be idle. Only the textile, steel, and petrochemical industries operate at an above-average level.

In addition, there is the following problem: The urgently needed raw materials are in short supply on the world market and thus very expensive; moreover, the international suppliers prefer markets that politically and economically are more secure than Iran. In so far as the enterprises have been able to conclude supply contracts, they have to put up with long waiting periods. It will probably be 6 months, before Iran can obtain the raw materials necessary for production.

The bonded warehouses in which shipments had accumulated during the revolution on account of the general strike have now been cleared. Consequently, there was a slight economic upswing during the months of April and May, but it was not sufficient to have a lasting effect on the economy.

The international transport capacities accessible to Iran are all booked up for many months, since many shipping companies have in the meantime switched to other routes. Enterprises that in spite of the difficulties succeeded in placing orders for raw materials will probably not be able to get them to

Iran before the end of the year.

Economically, all this represents a catastrophe. The rate of inflation continues to rise by leaps and bounds. Unemployment is increasing; it is estimated that out of a total labor force of 12 million, approximately 4.5 million workers are unemployed. Private savings are all but used up. The winter is not far off--for many, it will be the second winter to be endured without income or heat. It appears that the clerical politicians fear the citizens will review the results achieved by the Islamic revolution and the new Islamic Republic--a review dangerous to the revolutionary leadership.

8760

CSO: 4403

SADDAM HUSAYN'S CHOICES, TRENDS ANALYZED

London AL-HAWADITH in Arabic 10 Aug 79 p 19

[Article: "Democracy or Rule Through Intelligence?"]

[Text] In 1959 Michel 'Aflaq, the secretary general of the Ba'th Party, went to Cairo to address some political seminars organized by the Arab student societies in the Egyptian capital, the Syrian-Egyptian rapprochement having reached its apex culminating in the announcement of the union less than a year later.

In Cairo 'Aflaq met with his friend, Dr Fu'ad Jalal, who in turn was close friends with the late president, Jamal 'Abd-al-Nasir. He broached to Jalal the idea of establishing a democratic, pan-Arab front founded on Nasirist Egypt, the Arab Socialist Ba'th Party and the Algerian National Liberation Front. The Algerian war against French colonialism was then at its peak, and in 'Aflaq's view, his idea represented full Arab unity comprising the Arab East, the Arab Maghreb and Egypt.

Fu'ad Jalal was taken with the idea and suggested to Michel 'Aflaq that he communicate it to Jamal 'Abd-al-Nasir himself, and an appointment was actually set up at the Republican Palace in al-Qubbah. Only 'Abd-al-Nasir and 'Aflaq were at the meeting. During this meeting, 'Abd-al-Nasir praised the idea for the pan-Arab front, but asked 'Aflaq to submit a written draft. It upset 'Aflaq that 'Abd-al-Nasir would ask this of him after a long conversation lasting more than 2 hours, feeling that this request was a sort of useless procrastination, and he left the Republican Palace and decided to return to Damascus the next day.

Fu'ad Jalal got in touch with his friend 'Aflaq to inquire about the climate of the meeting with 'Abd-al-Nasir. When he ['Aflaq] told him that he had decided to go back to Damascus the next day, Fu'ad Jalal said to him: "Why? That's not right. You must see the president again." Given Fu'ad Jalal's insistence, Michel 'Aflaq cancelled the arrangements for his trip to Damascus and another appointment was set, but this time at President 'Abd-al-Nasir's home in Manshiyah al-Kubra.

The two men, 'Abd-al-Nasir and 'Aflaq, sat down in the garden to talk. President 'Abd-al-Nasir's youngest son was playing in the garden, holding a water hose and watering the garden. While 'Aflaq was talking to 'Abd-al-Nasir about the importance of the democratic climate of the Arab popular movement and about pushing it forward, the president's son accidentally turned the hose toward the area where the two men were sitting and squirted them with water. 'Abd-al-Nasir lost his temper, but then quickly laughed deeply and said to Michel 'Aflaq: "Is this the democracy we are talking about?" After the two men had laughed at this witticism, 'Aflaq told 'Abd-al-Nasir half-jokingly: "Mr President, democracy is not a mere water hose."

This front which 'Aflaq proposed to 'Abd-al-Nasir was not destined to see the light of day, as it was overtaken by the rush to the merger between Egypt and Syria. Upon the establishment of the Syrian-Egyptian union, the Ba'th Party faced its first fateful choice between union and self-dissolution.

This choice gave rise to a bitter intra-party quarrel which was won by the view holding that unity was more important than the party and if something had to be sacrificed, then sacrificing the party came before sacrificing the union. To this day, this decision is the prime proof of the Ba'thists' offer of their unionist spirit, although they are adamant that there should be no repetition of such an experience.

This continued to manifest itself in a sort of growing sensitivity between the Ba'th and 'Abd-al-Nasir, reaching its peak in a speech delivered by Salih al-Sa'di in Cairo before 'Abd-al-Nasir on the fifth anniversary of the union in 1963--the union having been dissolved in 1961--and only 3 weeks after the outbreak of the Ba'thist 8 February revolution in Iraq, a speech in which he attacked the dictatorial propensity that had led to the collapse of the union.

When Ba'thists called for a tri-partite union between Egypt, Syria and Iraq after they had assumed power in Damascus on 8 March 1963 (the Ziyad al-Hariri coup), 'Abd-al-Nasir sent all the pro-Nasir officers and politicians who had stayed in Cairo following the secession in an attempt to take part in the regime with the Ba'thists. Some Syrian Ba'thists commented on this: "We ask 'Abd-al-Nasir for a union with no errors and he sends us the errors before the union." Before stormy disagreements arose anew in the Ba'th Party following the failure of the projected tri-partite union announced in the 17 April 1963 charter and after the collapse of the Ba'thist revolution in Iraq at the hands of 'Abd-al-Salam 'Aref on 22 November of that year, there had been a debate about dictatorship and popular democracy, particularly after 'Abd-al-Nasir advocated formation of his party that was more slogans than substance. They used to say that the ideal party for the popular movement could not be born of the establishment; rather, it was what would come to power through the struggle of the popular movement that it represented. Accordingly, a slogan emerged that spoke of the difference between "the party of the ruler" and "ruling party." According to this view, the

party of the ruler was a structure of no value that the solitary ruler had brought in as a cover for his dictatorial regime, while it was the ruling party that governed through democracy within the party.

Which of the two descriptions applies to the current Ba'thist regimes in Syria and Iraq, and does this have a connection with the dissipation of attempts at union between them?

The Iraq Ba'thists say that Hafiz al-Adad's basis for his regime is not a party in the true sense of the word, but is a specific, formalistic structure designed to cast a sort of legitimacy on his administration because, without it, it no longer has any justification. There are people in Syria who go along with this view; in fact, most Syrians believe that this is the basic reason President al-Asad feels an inequality between him and the Iraqi regime based on a party that has combat and historical credentials. Those that espouse this view in no way discount the fact that there might be earnest Syrian attempts to nullify the Iraqi party by turning it into a formalistic structure, and that this could only be done by getting rid of Saddam Husayn who represents the leadership vitality within the party. When one correlates this view with the recent attempts in Iraq, the events that took place in Baghdad in mid-July become more believable.

The Iraqi explanation that there had been no coup attempt but rather that what had happened as "a conspiracy against the party and the revolution" infers, according to the analyses of observers, that the conspirators had been preparing for a general party congress where they would hold the majority and would surprise Saddam Husayn with it, since they would decide to isolate him and he would fall into its hands. Either he would submit to the party decision and his role would be terminated, or he would resort to another approach and thereby would abandon legitimacy and party democracy. What Saddam Husayn did, according to these analyses, was to engage in a pre-emptive action with his own approach.

Those who criticize Saddam Husayn's hegemony over the Ba'th Party in Iraq, while acknowledging the competence of his leadership and his adherence to party traditions, say that the theory that applies to Saddam Husayn with regard to the status of party traditions in the face of intra-party democracy is the same theory in which Leon Trotsky described Stalin's post-Lenin domination of the Soviet Communist Party when he said: "The party has become the central committee and the central committee has become the secretary general; the party has been transformed into a single man."

However, where does Saddam Husayn stand on this, and what will his response be to the attempts of which he was the target?

Those who espouse the latter view anticipate that Saddam Husayn will pursue the above Stalinist approach, basing their speculations on the fact that experiments of this sort must of necessity rely on the intelligence machinery to stabilize conditions. In fact, they say that Saddam Husayn could only have discovered the threads and parameters of this last conspiracy with the help of the intelligence machinery.

There are those, however, who object to these predictions on the basis that Saddam Husayn's nature is not intelligence-prone. They say that certain evidence indicates that the new Iraqi president is ambitious to revise a new Nasirist experiment free of the errors of 'Abd-al-Nasir and the errors of the Ba'th in countering them by going directly to the masses and, in time, the ruler of Iraq will be transformed into a pan-Arab leader deriving from a pan-Arab party. These persons use this to explain Saddam Husayn's statement that "every Iraqi is a Ba'thist" as an indirect attempt to criticize the prerogatives which certain Ba'thists had gained through their party positions.

An Algerian diplomat who visited Iraq recently says that when he heard that Saddam Husayn had gone out to speak directly to the people and had promised to hold general elections throughout Iraq to establish an elected legislative assembly, he had felt that the man was embarking upon an experiment similar to the one led by Houari Boumedienne before he was hit by his illness, that is, revising the constitutional institutions, planting democracy more deeply in the party, giving a greater role to professional, labor, peasant and student organizations and societies and strengthening the groundwork for a national and pan-Arab dialogue within the framework of those institutions and under the rule of law, with no distinction between a party member or a non-member or between veteran fighters or new members. This is also a possible and logical choice. However, those who refute the possibility that Saddam Husayn can select it do so because they think that it represents the hard choice and that pursuing it would involve a hard birth process that might not be tolerable in a high tension atmosphere in which the regime is above all else trying to establish its authority. The most likely thing, however, is that the atmosphere in Baghdad is not quite that tense. Though the atmosphere had been rife with tension, the recent conspiracy was survived safely with no repercussions; in fact, when the former president, Ahmad Hasan al-Bakr, resigned to the benefit of his deputy, it had been felt that such a transition would cause a serious split in the regime's hierarchy.

There is another faction that scoffs at this possibility from another angle. They say that Saddam Husayn emerged to talk to the masses directly and advocated general elections only under the pressure of the events in Iran, as shown by the fact that his visits centered on the southern areas and al-Thawarah City in Baghdad, as these contained concentrations of Shi'ites who could be influenced from outside. One point of proof that this faction cites to bolster its case is the fact that Saddam Husayn's call for general elections came at the same time when in the Gulf countries there emerged similar calls for establishing consultative assemblies and reviving legislative assemblies in a precautionary attempt in the face of the winds blowing from Tehran.

The friends of 'Abd-al-Khalīq al-Samara'i, the hero of the previous attempt by the non-Iraqi Ba'thists, say that 'Abd-al-Khaleq rebelled for the same reasons that lay behind the uprising of 'Adnan Husayn, Ghanim 'Abd-al-Jalil,

al-Mashadi and Mahjub, that is, according to them, the fact that the people with actual authority in Iraq had from the beginning pursued a policy of transforming the Ba'th Party "from a ruling party into a party of the ruler, in other words, into an apparatus for intelligence. Consequently, it is this trend that will become more firm in the future, and anyone putting his money on the democratic option will lose because it is unrealistic and has no assets.

However, this view is knocked in turn because it is biased from start to finish and is colored by a certain amount of rancor. The democratic choice may not be inevitable, but it could still be in the cards, particularly since there are new factors the most important of which is the firm stance of Saddam Husayn at the peak of the pyramid of power, thus ending the splits in views that used to speculate whether Saddam Husayn and al-Bakr were one thing or two different things. These splits in views had given rise to all earlier attempts designed either to cause trouble between the two men or to exploit their differences to accomplish some other end.

Not only the fate of Iraq depends on Saddam Husayn's choices after the recent conspiracy; rather the fate of the whole area may hang upon them.

8389

CSO: 4802

BRIEFS

NEGOTIATIONS WITH USSR--Negotiations are currently underway between the USSR and Iraq to reach a military agreement estimated to be worth 500 million pounds sterling. According to the terms of the contract, Iraq would allow the USSR to construct a permanent naval base at the port of Umm Qasr on the Persian Gulf. In return, the Iraqi Navy would receive 10 missile-launching patrol boats of the Nanushka class (950 tons, launching six SS-N-9 missiles). This agreement would enable the USSR, which has been using Umm Qasr for about 10 years, to deploy a permanent naval force there. [Text] [Paris DEFENSE INTERARMEEs in French Sep 79 p 9]

CSO: 4800

ARAB-ISRAELI BALANCE OF POWER ASSESSED

Tel Aviv HA'ARETZ in Hebrew 5 Jul 79 p 9,10

[Article by Ze'ev Shif: "It seems That the Military Balance Will Not Shift Until 1982; The Hinterland May Be a Major Military Target"]

[Text] The Center for Statagic Research of the University of Tel-Aviv is about to publish a paper on the Israeli-Arab balance of power after the peace with Egypt. The work, comprised of 74 pages including appendixes and diagrams, is a refreshingly novel attempt to represent the blance of power in other than the usual mathematical terms, which are sometimes misleading. Its author is Brig Gen (reserves) Yehoshua Raviv, who was manager of the research branch of the Foreign Ministry and military secretary to Moshe Dayan. The unique aspect of Raviv's work is not only that he refers to the balance of power following the peace agreement with Egypt, but first of all because he attempts to examine it from a qualitative point of view and because he tries to answer the question, based on the data, whether the Arabs really have a military option, and if so, what kind.

The glaring gap in all reports on the balance of power in the region published to date (including one of the Institute for Strategic Studies in London) is that they deal with and are based mostly or only on numeric balances of manpower, planes, tanks, cannons, etc. Nothing was said about the real firepower, the capability of the armed forces and their expertise. This representation caused misunderstanding and that obvious error on the eve of the Six Day War when most civilian experts (with the exception of those in the Pentagon) thought that the superiority and victory would go to the side with the larger numbers--the Arabs.

Egypt Out of the Picture

The experts have since realized that a numeric balance is insufficient. The figures do not tell the whole story when it is not known what planes are at stake and whether the tanks are more sophisticated or not. Obviously they do not tell the whole story if things such as a surprise in the field are not taken into account. Raviv attempts to correct this by dividing weapons into subsystems such as tanks or planes, of superior, mediocre or low capability, and in that he also refers to the meaning of artillery firepower that the two sides possess, or their strategic mobility.

This is an important advance in analyzing the regional balance of power, but even this work is incomplete since as yet no method has been devised to evaluate important aspects such as the level of the command and its plans; the morale of the people and the armed forces; the ability to suffer human and other losses; the ability to continue at war under seige and with a tremendous wearing out of equipment; or even the political and diplomatic position of the countries at war. Here and there attempts were made (especially in the United States) to evaluate these aspects and gauge them. What is lacking, as far as this author is concerned, in Raviv's work is a reference to the reaction of the super powers and the steps they may undertake should the war continue. Will they behave as they did in 1973, when they helped both sides with airlifts, or has the situation changed now that there is peace with Egypt? Will they react more strongly in case of an Israeli victory, and how does this affect anyone planning a military option against Israel?

The underlying assumption of the paper is that Egypt is now out of the war circle (in analyzing the possibilities Raviv always figures on two battalions on the Egyptian front). On the other hand he almost completely ignores one very major event in the region--the shah's fall and the rise of a hostile regime in Iran. He mentions that Iraq can now send troops to the Israeli front since it no longer has to fear Iran. But the demise of the shah has other strategic implications--starting with the loss of our most important source of oil (as a result of which the importance of freedom of movement in the Bab-el-Mandeb straits has also changed). In the future, Iran could support the Arabs in the event of war no less than Morocco, Algiers and others.

All of Raviv's evaluations and calculations are based on conventional weapons. He is careful not to go beyond 1982. Within this period it is unlikely that the Arabs will succeed in acquiring nuclear weapons, but they certainly will start to divert funds to this end. It would be interesting to find out how Raviv thinks this will influence Israel, its plans and the general strategic makeup.

The starting point is the lessons learned by both sides in the Yom Kippur War. Raviv counts six lessons that the Arabs had: Defending the hinterland against air strikes and the ability to threaten the opponent's hinterland; increasing strategic and operational mobility of the armed forces (tank carriers, helicopters); developing armored and radar units; reducing the dependence on imports of weapons while at war; the importance of all aspects of the element of surprise; the importance of the initiative for the first strike (this author would add the importance of attacking Israel on a number of fronts simultaneously with a lot of forces so as to spread Israeli forces thin).

Among the lessons to be learned by Israel (and it is obvious that the censor has been here) there are some that are similar to the Arabs'. The others are: Increasing the IDF forces and improving the deterrent system. One remark of Raviv, which is also repeated in his conclusions, should be mentioned: One lesson to learn is the need to establish a ground-to-ground

missile system in Israel (referred to by him as "Jericho," the name the newspapers have been using) especially as a deterrent against hitting our hinterland.

When Raviv enumerates the growth in power of each of the countries the outstanding fact is that Iraq is the one country where a real revolution has taken place. This stands out even more so considering the fact that Egypt's might is relatively small (counting the air force, but not tanks and anti tank weaponry). The Iraqi growth is in each area--including a massive number of tank carriers--and in total the Iraqi Army has the capability for strategic intervention against Israel (the time framework needed for the troops to arrive at the front is open to debate, and this author would not place any bets on the issue). It is clear that Raviv is not at liberty to detail Israel's strength, but his final conclusion, when he compares capabilities, is rather interesting.

The growth in the number of divisions is relatively the same, and the proportion between Israel and the Arab countries has remained at 3:1. The same applies to the number of tanks (not their sophistication)--it has also remained at 3:1 in the Arab's favor. His conclusion that this proportion can no longer be considered adequate by Israel is quite interesting. The position of artillery has worsened. Whereas the Arab growth (excluding Egypt) is of 76 percent, the IDF growth since 1973 has been 48 percent. This is augmented, on the Arab side, by ground-to-ground missile batteries. A bad situation also exists in the area of anti tank missiles. Raviv is correct in comparing the number of missile batteries with the number of tanks that the other side has (the Arabs have 0.8 missile batteries per Israeli tank; we have 0.06 anti tank guns per Arab tank).

What seems surprising at first glance is the relative growth of the various air forces. It turns out that although we have acquired F-15's, the quantitative proportion is now 3.5:1 in the Arabs' favor as compared with 3:1 before. This also shows in the large number of troop carrying helicopters that the Arabs have purchased. Raviv claims that if we take into account the qualitative factors of the planes the picture becomes even worse. He thinks we also ought to add the huge amount of anti-aircraft missile batteries and the large number of airfields and airstrips at the Arabs' disposal. It is too bad that he did not detail the impact of the withdrawal from the Sinai (absorption, crowdedness) and the incentive that has just been formed to attack closeby targets. At the same time the paper points out that Israel has superiority in modern air warfare such as "smart" bombs (the Arabs, too, have started acquiring air-to-air Magic missiles from France).

The author has collected the conclusions (recommendations) from the paper and its conclusion. They are detailed below, not necessarily in the order of importance.

The regional arms race will not, by 1982, substantially alter the balance of power between Israel and the Arab countries. This, in spite of the fact that Israel is approaching the limit of its potential manpower, and the Arabs have more weapons than soldiers to man them.

The peace treaty has weakened the total military might of the pan-Arab front, and has limited its military capabilities. Compared with 1973 Israel's position today (without Egypt opposing it) is somewhat more comfortable. In spite of the changes and the growth the gap in organization and command has remained steady, in our favor.

In spite of this, the eastern front has the capability to form a military option against Israel in the years 1979-1982, in order to try and force it into solutions desirable to them. At issue, nevertheless, is not an all-out war whose goal it is to annihilate Israel as a political entity.

If the Iraqi Army were to strengthen Syria (2-3 divisions) Israel might not look at it favorably, but it is doubtful whether it would consider it sufficient to start a war against Syria (Raviv does not talk about what Israel's casus belli on the eastern front may be).

In case of war the Israeli hinterland may become a military target. This mandates Israel to improve its anti aircraft defense, passive resistance and the capability for commando warfare. The IDF has to be set up such that it can mobilize the reserves even in case of such a surprise attack.

It is not unlikely that the Arabs will concentrate most of their forces on the eastern front. If the IDF puts all its forces there, the Arabs may be in an uncomfortable position, and it is doubtful whether they can win with a strategic surprise. In spite of this, this possibility cannot be discounted because of the economic and morale burden it would place on Israel, including the need to attack when the Arab armies are fully prepared.

8646

CSO: 4805

AUSTRIAN, KUWAITI MEDIATION IN LEBANON DISCUSSED

Paris AL-MUSTAQBAL in Arabic 18 Aug 79 p 25

[Article: "Lebanese Accord: Austrian Mediation Stops, Kuwaiti Mediation Moves Closer to 'Bayt al-Din.' Arab Initiative Committee Awaits Reactivation, After the Government's Commitment to the Arab Bayt al-Din Decisions"]

[Text] A number of Lebanese politicians were surprised by the sudden decision of the Austrian ambassador in Lebanon to suspend his country's initiative on behalf of achieving accord among the Lebanese.

In its last issue, AL-MUSTAQBAL referred to this Austrian initiative which included an appeal to prolong the dialogue which began in Vienna among the Lebanese factions.

The Austrian ambassador informed these politicians that he was unable to complete his undertaking, which he had begun on this level, after discovering that such an initiative as this by his country would lead to a worsening of relations with certain Arab nations which still have definite points of view regarding the Lebanese crisis, the way in which it should be resolved, and toward achieving national accord among the Lebanese.

The ambassador emphasized that suspension of the initiative does not mean it has been downgraded, but rather that he will await a suitable opportunity in which he feels that those Arab countries have become agreeable to the initiative, so that he can resume his activity previously undertaken for his government if it calls upon him to do so.

The Austrian ambassador said to those politicians that Austria, as is well-known, is a neutral nation and cannot be a party to Arab or non-Arab disputes within the Lebanese context.

It is clear that the Lebanese and Arab reasons that caused Austria to suspend its initiative in Lebanon are at the same time making up an important part of the reasons which caused President Charles Hellou to submit his resignation from the government as minister of state for conciliation affairs, after he sensed that circumstances were still not ready for Lebanese self-initiatives aimed at achieving accord.

These short and long term indications serve to underline a fact which still governs the Lebanese crisis, and that is the difficulty of dividing the Lebanese crisis into parts and the division between one faction and another without a serious Arab initiative being taken, bolstered by international support, or an international initiative with Arab support, to dissect the Lebanese crisis and remove its difficulties one after the other.

On this basis, the new Lebanese government has resorted to reaffirming Lebanon's adherence to the Bayt al-Din decisions issued by the conference of Arab foreign ministers of those nations participating in the Arab deterrent forces, and which was convened approximately 10 months ago.

The ministerial statement, upon whose basis the government won the confidence of Parliament, stressed adherence to those decisions. Moreover, the prime minister, Dr Salim al-Huss, reaffirmed the decisions in his response to Parliament when he said that the contents of the decisions constitute a comprehensive concept of a solution to the Lebanese crisis.

Despite serious limitations on Lebanon's readoption of these decisions, nevertheless the declaration of this adherence was presumably unavoidable in the present circumstances.

During this affirmation, he referred to Lebanon's still adhering to the Arab initiative to solve its internal crisis, along the lines of continuing to adhere to the international solution which the Security Council had previously established for southern Lebanon.

The sole measurement which now clearly expresses confirmation of the Lebanese state's adherence to the Bayt al-Din decisions is the initiative of the Lebanese president, Ilias Sarkis, to revive the Arab oversight committee composed of representatives from Syria, Saudi Arabia and Kuwait.

When this committee was formed and placed at the Lebanese president's disposal, its mission was only to get matters moving with the Lebanese parties to solve the complicated issues of the crisis and implement proposed solutions.

Therefore, after the new government confirmed the continuation of its adherence to the Bayt al-Din decisions, the aforementioned committee has now begun to expect a summons from the president to meet in the palace for the purpose of resuming its activities to find a solution for the Lebanese crisis through contacts which are underway with local factions.

The same problem which previously caused suspension of the Arab oversight committee's mission is still awaiting committee action, and that is the issue of the relationship between some of the Lebanese groups and Israel. This issue remains the core of all activities underway on both the Lebanese and Arab levels, and sometimes international as well, to extract Lebanon from the grasp of the crisis in which it is struggling.

All previous attempts failed with the accusation directed against groups of the Lebanese front for cooperating with Israel, since it has always been Syria's and the Lebanese national movement's demand that these groups stop dealing with Israel in exchange for a dialogue with them on a solution to the crisis, while these groups, for their part, continued to refuse to issue a statement either confirming or denying this relationship.

This problem has continued without solution, since all of the concerned parties have refused to withdraw from their positions until the development of the struggle in southern Lebanon began to make it necessary to expedite solutions to the internal crisis in order to prevent repercussions from the situation in southern Lebanon on the internal situation leading to extensive security outbursts.

Regardless of whether the concerned parties seize the problem of dealing with Israel as a pretext for continuing the Lebanese crisis or whether this position of theirs is a principle and not a fabricated reason, attempts have now begun aimed at finding a compromise which would eliminate the grounds for adhering to the charge of dealing with Israel, and would attempt to put all intentions to the test.

Perhaps the most prominent of these attempts was the contacts on this level begun some weeks ago by Kuwait in hopes of finding a middle ground for the problem of dealing with Israel.

Among the formulas broached by the Kuwaitis to certain Lebanese and Arab factions was to throw out the slogan which says no dialogue with those who deal with Israel, and begin the dialogue on the basis of achieving accord on the principle of no dealings with Israel.

Informed sources expect that this Kuwaiti attempt with its real promise will be adopted through the expected action carried out by the Arab oversight committee in the event President Sarkis calls for that.

In the context of the contacts which he has had with some of the parties, the ambassador of Kuwait in Lebanon, Shaykh 'Abd al-Hamid al-Ba'ijan, stressed that the atmosphere in Lebanon was ready more than at any time before for a solution to the internal crisis.

Al-Ba'ijan says that there are positive factors now, and one must appeal for their enhancement so that they become acceptable to all the parties. This should be done in the event discussion on mutual points can get underway, preparatory to entering into discussions on the disputed points.

7005
CSO: 4802

REPORT ON LEBANESE ARMY

Beirut THE ARAB WORLD WEEKLY in English 13 Sep 79 pp 16-22A

[Text] The elaboration of a Lebanese-Palestinian agreement on South Lebanon and the achievement of national accord among the Lebanese are the basic conditions on which hinge the capability of the Lebanese Army to rebuild itself, preserve its unity and fulfill its mission, as defined in the Cairo and Riyadh summits resolutions and the U.N. Security Council resolutions dealing with the Lebanese and the South Lebanese crises.

The first step towards the reconstruction of the Lebanese Army that was taken by the regime of President Elias Sarkis was the appointment of a Commander in Chief, General Victor Khoury, on March 28, 1977.

For a very long time after this step was taken, and until recently, it had been assumed that, if the Lebanese crisis could not be dissociated from the Middle East crisis, the solution of the South Lebanon problem depended on the capability of the Lebanese Army to deploy in the South. This view became particularly potent after the adoption, by the Security Council of resolutions calling for the deployment of both national and international forces in the South.

Then there was the deplorable experience of June 1978 when a Lebanese Army contingent, despatched to the South at the pressing demand of the international community and the super powers, was stymied in the village of Kawkaba by the Israeli-sponsored Christian militias and rebel military units of the South, through which territory it was supposed to cross.

Later on, but on the basis of the same principle--that the Army must deploy in the South to restore security and sovereignty--the view became that if peace could be restored in Beirut, by way of a withdrawal of the various militias and the takeover by the Army of the militias and the Arab Deterrent Forces' positions, the Army could, little by little, extend its control over the surrounding areas. The purpose was to have the Army take over downtown Beirut and move from the commercial center to the suburbs and from the suburbs to the provinces, and eventually to the South.

The underlying idea behind this view was that whether the Army could reach the South or not, its deployment everywhere else would have brought about an acceptable level of normalization, practically dissociated the Lebanese crisis from the Middle East crisis and, even if the South remained troubled, the rest of Lebanon would not have suffered from the wait for a Middle East conflict global and durable solution.

However, just as it has been unable to deploy in the South, the Lebanese Army has not been able to deploy in downtown Beirut and has suffered a recent setback in this respect and the conclusion reached by the military leadership of the country is that a number of political conditions are necessary to allow for the deployment of the Army, whether in the South or downtown, and that, in the meantime, the authorities must focus on rebuilding the armed forces and preserving their unity.

Division, The Background. Enabling the Lebanese armed forces to face any situation and any obstacle without disintegrating has been one of the primary goals of the present regime and military command.

The division of the Lebanese Army in 1975-1976 was the direct consequence of the division that plagued the government which was described at the time as having two heads, the President, Suleiman Franjieh, and the Prime Minister, Rashid Karani.

The conflict between the President and the Prime Minister developed over whether the Army should or should not be sent out in the streets to put an end to militia fighting. Premier Karani was opposed to the intervention of the Army while President Franjieh called for it. The conflict took, immediately, a sectarian colouring and those among the military who were sensitive to sectarian considerations chose their sides. The Christians among these sided with Franjieh and placed themselves under the command of officers Borakat and Malek, and the Moslems joined officer Ahmed al-Khatib who formed the Lebanese Arab Army. There came the "battle of the barracks" with each group taking over barracks and seizing the weapons and ammunition the barracks contained.

In deciding that the Army would not intervene, Premier Karani was basing his judgment on a report, drawn up by the Army command (and in particular by Col Moussa Kanaan) and saying that if the Army ventured among the combatants it would be threatened with division "because the battle is sectarian." It will be recalled that, at the time, even the now Lebanese Front leader Camille Chamoun* said that the Army could not intervene in the fighting because it would divide.

(Observers recently told THE ARAB WORLD that the Army could have done a proper work at the time in cracking down on the antagonists but that

*Chamoun was, at the time (1975-1976) Minister of Interior; Karani was also Defense Minister.

refusing to let it intervene was part of a plan aimed at disintegrating this institution. A plan whose implementation had begun in March, 1975, they said, with the assassination of MP Maarouf Saad in Sidon).

Not all officers and soldiers got involved in the Franjieh-Karami conflict, most of them chose to withdraw from the military scene altogether, and most of these were Chehabist officers.

4, then 5 Armies. The rest of the armed forces divided into four armies:

--There was the Army of Col Barakat which took over the barracks of Fayadieh as its stronghold. The rightists took over the Sarba barracks.

--The Lebanese Arab Army of Lt Ahmed al-Khatib, it occupied the West Beirut barracks during the 1975-76 years then moved to the Southern barracks.

--The Syrian-sponsored "Vanguards of the Lebanese Arab Army, mostly in the Beqaa.

--The "army" of General Hanna Said (commander-in-chief), stationed at the Yarze Ministry of Defense, and the only one that could be considered legal.

--Later on, another group seceded from the regular forces, in the South, under the command of renegade Major Saad Haddad.

Building a Unified Army. It is out of these five armies that the State is now trying to build up a unified Army and the task has proved extremely difficult.

When Foreign Minister Fouad Bourtros was also Defense Minister, his aim was to set aside all the officers--and soldiers--who had taken part in the fighting alongside parties or organizations. This policy was violently attacked by these officers and their supporters in the parties and it was said that the bomb attack against Mr Boutros' home was the result of this policy.

The State was forced to act differently and, being unable to dismiss the unwanted officers, it chose to give them a chance to leave by themselves by announcing that officers who wished to resign were invited to do so. One of the problems encountered was that among those who resigned there were many "good" ones who had grown wary and disgusted.

The various parties and movements made it clear that either the Army would keep all officers, and especially those who had participated in the fighting, or they would not let the Army rebuild itself or assume any responsibilities and missions. The condition was the same for both sides with the Moslem and leftist groups calling, in addition, for a revision of the

structure and law of the Army to make it more balanced in sectarian terms and to have more Moslems in positions of decision-making and command.

The recent promotions of Army officers that were announced by decree after long months of obstruction showed that the State had finally reached a compromise with the parties and movements. Some of the officers promoted had taken part in the fighting with the various groups, but not too blatantly. Extremists of both sides were left out. There was some protest on the part of the rightists who claimed that some officers were unjustly left out, but it seemed to be a protest of pure form and soon afterwards the commander of the Lebanese Front joint forces, Bechir Gemayel, closed the issue by declaring, somehow surprisingly, that the State had placed everyone in front of a fait accompli and that that was that.

Troops. As far as troops are concerned the state drew them partly from the 5 armies in presence and partly through recruitment. Of the five armies in presence the new Army integrated all the Fayadieh and Sarba barracks men, as well as all the troops under the command of Gen Hanna Said. It also integrated all the Vanguards of the Lebanese Arab Army but only a few officers and men belonging to the Lebanese Arab Army of Lt Khatib were taken back, and most joined the regular army upon their own request. None of the Saad Haddad officers or troops joined the legal army but Army sources expect that once the situation in the South is cleared most of the troops would be integrated.

17,000. The Lebanese Army is now 17,000-strong, according to military sources who said that, however, only 10,000 of these were actually sent on security missions, such as deploying in Ain Remmaneh or in the South. These 10,000 are indoctrinated troops, belonging to "balanced" units and barracks. The remaining 7,000 are mostly from the Sarba barracks (entirely Christian) etc. They are not yet considered completely loyal to the State and to a unified Lebanon or unlikely to be stirred by sectarian motivations.

More than 30,000. A high officer of the Army said that if all goes well and the Conscription Law is implemented, the Army would be immediately beefed up and could count between 30 and 35 thousand men.

The Conscription Law, making military service compulsory on all young males, should have been enforced on July 1, 1979 and Lebanon had even informed the Arab League of the date of enforcement of this law. But the problem was that, as long as the Army was at odds with the various parties, movements and organizations, all those who would have been drafted could escape the draft either because they were members of parties and militias or because they could benefit from the protection of the militias.

The military source said that the Conscription Law will be applied on an optional basis and no one will be drafted against his will. Even so, the source stressed, the Army expects that more than 30,000 men will be recruited.

The New Councils. The adoption of the new Army Law was another step towards a more balanced and more unified Army. The Law provided, in particular, for the creation of two new councils, the Defense Council and the Military Council. The purpose behind their creation was to allow for a more balanced decision-making on the executive level and on the military command level, by dividing the prerogatives that used to be those of the President and the Commander in Chief solely.

--The Defense Council is headed by the President of the Republic and included the Prime Minister and the Ministers, its role is to plan the country's defense policy.

--The Military Council counts 6 officers, one for each religious community existing in Lebanon. It has assumed some of the Commander in Chief's previous prerogatives, namely the right to promote and permute officers.

(Observers are saying that although the Military Council allows for a greater participation of the Moslems in the Army decision-making, the structure of the Council is like that of the government, i.e. sectarian and, because of this, it may be provisional. Another reason why these sources deem that the Military Council will only exist temporarily is because it is depriving the Commander in Chief of the final say in controversial matters.)

Armament. The present Army possesses mainly small and medium weapons most of the heavier armament having been taken over by the militias and military units. Besides, the Navy and the Air Force do not have any armament to speak of.

When decision was taken to reconstruct the Army, a budget of three billion Lebanese pounds was allocated for its rearmament. (The Army budget for 1979 was set at LL 26.5 million.)

The rearmament of the Army is to go hand in hand with its rebuilding and, according to military sources, the acquisition of heavier armament will be envisioned one year from now and the United States and France, in particular, are expected to help Lebanon in this respect.

The U.S. has already supplied Lebanon with small arms, mostly vehicles personnel carriers, etc, but, so far, no country has envisioned to arm the Lebanese Army; all are said to be waiting for its reconstruction.

The Mirages. One of the thorniest questions faced by the Army is what to do with its fleet of Mirages fighter planes. They are all in need of repairs and the question is whether to have them repaired or to purchase a different aircraft. The repairs are expected to cost around LL 125 million Lebanese pounds and some, in the command, are for making the necessary repairs, but another view has it that the Mirage is not fit

for Lebanon and many officers would prefer Hawker Hunters, supported by Gazelle helicopters and SAM missiles. (The fact is that Lebanon purchased the Mirages within the framework of a joint Arab defense strategy and the cost of the aircraft was to be paid by the Arab League which, in fact, failed to pay the entire price.)

The Militias, the Palestinians, the Syrians. The Lebanese Army has to share the stage with many other armed groups and one of the main questions it is faced with deals with what it intends to do vis-a-vis the militias of all sides, the Palestinian armed organizations and guerrillas and the Syrian forces in Lebanon.

For the Army command, the answer to this question lies in two words: South Lebanon and South Lebanon alone will enable the Army to stand up and face those who challenge its authority.

a) The Southern Military Units: It is the opinion of several high officers that once the question of the South is settled, i.e. once an agreement is reached between Lebanon and the Palestinians, the two renegade military units in the South (Saad Haddad's and the Lebanese Arab Army) will "fall" because they will lose their *raison d'etre* and their support.

It will be recalled that one of the main aims of the Army is to deploy in the southern regions of Tyre and Nabatiyeh, and that rebel Major Saad Haddad had pledged to hand over Narjeyoun to the Army if the Palestinians handed over Tyre and Nabatiyeh.

All efforts are now centered on arriving at an agreement with the Palestinians whereby they would withdraw from these regions and facilitate the deployment of both the Army and the U.N. Interim Force in Lebanon (UNIFIL). A decision in this respect is to be taken before December, when UNIFIL mandate is to expire.

b) If a Lebanese-Palestinian agreement on South Lebanon is reached, the Army will have a strong argument with which to face the rightwing militias. The militias justified their presence on the grounds that Palestinian armed presence in the country had to be confronted by a Lebanese armed presence, especially in the absence of a strong state and Army. With the solution of the question of Palestinian armed presence, military sources said that the Army will be able to bring the militias down to size, and, in other terms, implement the Beiteddin conference resolutions dealing with arms collecting and the elimination of military appearances and manifestations on the part of the paramilitary organizations and parties in the country.

c) With regard to Syrian armed presence in Lebanon, the problem is different since the Syrian forces entered Lebanon with the agreement of

the authorities and the Arab League. The military sources said they believed developments will take place if and when the Lebanese government reaches an agreement with the Palestinians on the South. They said that once the question of the South is settled, the Syrian forces would withdraw from Beirut and its suburbs where their positions will be taken over by the Army, and they will take over positions in the regions, such as the Beqaa and Akkar where their status would be similar to that of UNIFIL. They are expected to remain there until a final settlement of the Middle East conflict is reached, the sources added.

A Lebanese-Palestinian Summit. Therefore, the situation hinges on whether an agreement is worked out between Lebanon and the Palestinians concerning the suspension of guerrilla activities against Israel from South Lebanon, the withdrawal of Palestinian armed elements from the southern villages and towns and a Palestinian acceptance of the entry of the Lebanese Army in regions so far under Palestinian and leftist control.

Informed sources close to the government said that despite many indications of goodwill, the Palestinians are not too eager to hold a summit with Lebanon for two reasons: first, if any concessions are to be made, the PLO would rather make them to the U.S. or the U.N. in return for a political gain, rather than to Lebanon which can give nothing more than moral support; and, second, because the decision to suspend military activities and withdraw from the South is a major one that the Palestinians would rather take in agreement and coordination with all the Arabs.

The Palestinians reportedly want the Arabs to share responsibility for this decision while the Arabs are apparently unwilling to do so and would like to see the Palestinians decide alone. This is reportedly the reason why, according to the sources, a Lebanese-Palestinian summit should not be expected before the Arab summit convenes, and why the Arabs are putting off the holding of a summit.

The withdrawal of the Palestinians from the South will have a major significance, it would mean that a lot has been achieved on the level of the Middle East peace talks, and especially in the Palestinian-U.S. dialogue. Ever since the Young-Terzi affair, this dialogue is said to be continuing far from the limelight. If positive results are achieved, they are bound to reflect positively on the situation in the South.

But two questions will remain to be answered: what will Syria do and what will Israel do. Syria is apparently following a wait-and-see policy dictated by the changes that have recently occurred on the regional and local scenes. Its position of negotiation has been somehow weakened by the loss of the Palestinian card and the partial loss of the Lebanese card. Ever since the beginning of the PLO-U.S. dialogue, the Palestinians have recovered their independent decision-making and the Palestinian card is in their hands, while the escalation of tension and violence in the South

has removed the Lebanese card and placed it in the hands of Israel. This, plus the internal troubles of sectarian nature that it is knowing, account for Syria's noncommittal stance.

Israel, for its part, is submitted to an unprecedented diplomatic forcing on the part of the U.S. to stop its aggressions on Lebanon and facilitate the international forces' mission. But how it will react to the pressures and warnings to suspend military assistance remains unclear.

The settlement of the problem of the South would mean that wide strides have been covered towards stability in Lebanon, and for the Army, it would also mean that wide strides have been covered towards Lebanese national accord; the Army is looking forward to this so that political contradictions will not reflect negatively on the Army. A major hurdle that remains to be overcome is the implementation of the new Army Law. The decree announcing the enforcement of the law has not yet been issued and it is known that until enforcement begins, the Army will not be allowed in Beirut's western part.

CSO: 4820

ILLEGAL PORTS MAY SOLVE PORT CONGESTION

Beirut THE ARAB WORLD WEEKLY in English 15 Sep 79 pp 3-6

[Text] The debate over illegal ports along the coast of Lebanon is still a hot one, one defends and the other objects and calls for their removal. Along a stretch of close to 200 kilometers the Lebanese once gold coast has become scattered with close to 18 natural harbours through which assorted goods and weapons infiltrate. The stoppage of the Beirut port for a relatively long period throughout the years of civil war have given further impetus for those who stand to gain from the activity along these ports to step up their operations.

The start of these illegal ports was in 1975 when the fighting between rival factions drew the natural demographic boundaries of each area of influence. In 1976 the Lebanese coast had already become a beehive in constant action and always throbbing with goods coming in, in daylight and after dark.

Listed, these ports would add up to 18. They are from North to South: al-'Abdah, Tripoli Refinery, Tripoli official port, Shikka, Sil'ata, Kafar 'Ubayda, Jubayl (Byblos), Saint Paul, King Barges, Tabarja, Aquamarina, al-Dubayyah, Beirut, Jiyah, Sidon, Sarafand, Tyre, and the imaginary port at Naqurah, which was publicised by rebel officer Saad Haddad but which never actually existed.

Sources believe that if the Lebanese state succeeds in putting its hand and controlling these ports after seizure then it would solve the problem of congestion at the Beirut port which was a major problem before the war owing to inefficient operations and limited facilities and storage and warehousing capacity.

The state, however, does not share these opinions. The return of state legitimate authority to all areas of Lebanon would require that all these illegal defacto harbours be removed. The question remains, who will start the process and close its ports, the Lebanese Front, the National Movement or the Palestinian groups.

The Lebanese Front which groups the rightwing militia forces had created what it called the Joint Finance entity which is entrusted with collecting taxes from citizens residing in its area of control, which includes, of course taxes on port activity. The Joint Finance entity had revealed that the major source of finance in 1976 was the illegal ports. Illegal ports' activity started by smuggling whisky and cigarettes, but the list of products imported rapidly increased to cover foodstuffs particularly following the shortages in times of fighting.

In January 1977 the Syrian forces of the Arab Deterrent Forces took control of security in the area and the ports were closed but relations between the Syrian forces and the rightwing militias soon got strained and the ports were back to action.

The Lebanese Front which first started to collect taxes on port operations followed a special code in its collection, 25 percent of the customs value of imports as indicated by the state customs code. This did not include for 'stuffs which were exempt of all duties. Duties on a box of whisky amount to LL 15, on a box of cigarettes 10 Lebanese pounds, on every 20 litres of gasoline LL 7 and every passenger that used to travel through the Jounieh port was asked to pay LL 100 as duties to the rightwing parties.

In 1976 the owner and/or operator of the port used to collect one quarter of the value of the imported merchandise. Today the percentage is up to his own discretion and in return he provides the unloading services, the transportation in trucks and the labour.

Amounts collected on shipments have reached figures of LL 400,000 and that of course depending on the kind of merchandise, the tonnage and the weather conditions. A port labourer (porter) is paid LL 100 to LL 150 for every days work, including overtime hours.

Sources of the Joint Finance committee said the figures registered are amazing. He said the amount of whisky that has entered the country during the war years has reached 80,000 boxes annually most of which was re-smuggled to other neighbouring countries. The same source said a 2,000 tonnetanker unloaded its gasoline in 1976 and paid customs amounting to LL 910,000. At that time the price of a tonne of gasoline had reached LL 455. Another 5,557 tonnes of gas were unloaded between November 1976 and December 1977, that is in a three months period.

It is recalled that the two warring factions agreed in the early days of the fighting to exchange wheat for gasoline and the exchange took place only once and the two parties later resorted to imports from abroad.

Al-'Abdah: Smuggling has been reported from 'Abdah since 1969. It tends to calm down under tight state control and prosper when such control dwindles. Merchandise smuggled through 'Abdah includes whisky,

cigarettes, household appliances, mainly electric appliances. The harbour at al'Abdah is very small and ships stay away while unloading is done by small boats.

The Tripoli Refinery Port: The Tripoli Refinery port has not been used for smuggling even in the war days. The port was managed by a coordination committee of the Islamic communities in Tripoli and the progressive parties and the Palestinian resistance in the city. LL 4 million were raised out of the Tripoli Refinery operations. The amount was handed to the governor of the city and was later funded for health and public service projects in the city.

Tripoli Port: This port was not damaged like that of Beirut. It operated at full capacity as one of Lebanon's main official ports. Even when other ports were under strict control of the ADF it was capable in 1976 to handle a huge volume of imports and revenues amounted to LL 4 million. Peak activity was reached in the period from 1977 till the middle of 1978. In 1978 it received 880 ships, 162 boats which together unloaded 830,000 tonnes of merchandise, and loaded close to 77,000 tonnes of other products. Most of the exports were cement, iron, and foodstuffs. Successful merchants in Tripoli came to own a fleet of commercial vessels consisting of 70 ships and valued at LL 100 million.

Shikka Port: With the early 1976 the port of Shikka became much acquainted with smuggling of various products. Its adequate facilities--since it is originally an export terminal for the Cement company located there-- gave it the qualifications to command the largest share of smuggling. The Shikka port has a deep harbour which can accommodate large vessels. Traffic stopped in Shikka when the Syrian forces entered the area but was soon restarted in the Summer of 1977.

Sil'ata Port: It is well equipped and has a modest quay and harbour which originally was used for export of chemical fertilisers. Like other illegal ports work on the Salaata port outbound and inbound cargo stopped when the Syrians were in control and restarted when their control shrunk.

Kafr 'Ubayda: Work and smuggling started in Kafr 'Ubayda in 1976 and stopped on June 13, 1978 after the Ihdin incident. It also suspended its activity during the period of Syrian control. The port was specialised in the smuggling of arms and imports of foodstuff. The Syrian forces of the ADF who now control the area have recently destroyed the quay.

Byblos: The Byblos historic fishing port was hardly ever used for smuggling or even for travel.

Saint Paul Port and the King Barges: A horseshoe bay deriving its name from the two swimming resorts located near the Nahr Ibrahim area. These ports operated until January 1977 and stopped operations with the deployment of Syrian ADF units.

The Port of Juniyah: The port was transformed from a naval base for the small Lebanese navy force to an actual lung for the inhabitants of the Eastern part of the capital. Most of these have fled through the Juniyah port or travelled on business through this natural harbour. The port was kept during the war under the control of the army contingent there but the parties soon were collecting duties from travellers through the port and provided transportation services and labour for unloading without any interference in the administrative affairs. The products passed through the port of Juniyah ranged from foodstuffs to arms and fuel. Products were also reexported from Juniyah to various Arab capitals. Activity usually increases when the security situation deteriorates and calms down when relative calm is restored.

Tabarja and Aquamarina: These two ports near Maameltine are still active. Work in them has not stopped despite shifts and changes of control over the area. The harbours are deep and large, capable of accommodating large vessels. The natural formation of the port did not require any improvements.

The al-Dubayyah Port: Its controller tried to improve it by tearing down part of the quay but the port's harbour is shallow. Ships are unloaded by small boats as the vessels cannot approach the harbour.

The Jiyyah Port: This port was equipped with installations for unloading petroleum products for which it was specialised since it was first built. The port was used by the National Movement. The National Movement has occasionally used the port for imports of fuel but later its activities covered other products as well.

The Sidon Port: The Sidon port was used for travel and imports. It was controlled for a long stretch of time by the Arab Lebanon Army which collected taxes as prescribed under the customs code. The port's revenues amounting to 'L 12 million collected during the war period will be used to improve its facilities. In 1978 the Sidon port received 251 ships that unloaded 180,000 tonnes of merchandise although its unloading capacity does not exceed 15 tonnes/day. A group of businessmen from Sidon have applied for a franchise to develop the port and control its operation on bases similar to those applied for the Beirut Port.

Zahrani: The port is the property of the Tapline and serves as an export terminal for petroleum products refined at Zahrani. The Zahrani port has served for multi-purpose operations which no one can confirm or deny.

The Sarafand Port: The water is shallow and ships have to resort to tugboats to unload their merchandise which mainly consists of arms, foodstuffs and TVs. The Sarafand port has occasionally come under Israeli artillery fire and operations stopped some 14 months ago. The Sarafand port is controlled by the Palestinian resistance movement.

The Tyre Port: The port was originally used for fishing but during the war inhabitants of Tyre realised that it could also be used for other purposes and for the import of various products. Control over the port was the cause of conflict between local militias and Palestinian commandoes but the conflict was settled shortly after that but work has ceased after ships heading to Tyre were harassed by Israeli gunboats.

WEAPONS PURCHASES SAID MOTIVATED BY MIDDLEMEN'S COMMISSION

Beirut AL-HURRIYAH in Arabic 20 Aug 79 pp 10-11

[Article: "Truth, All Truth, About Lebanese Army; Deals for Commission"]

[Text] The 1979 budget of the Ministry of Defense contains a special section for the purchase of weapons and munitions. A sum of 260 million [Lebanese] pounds has been allocated for this section. This sum does not include the cost of the U.S.-made weapons that are supplied to the army within the framework of a special loan made available by the U.S. military administration [sic] to the Lebanese army command. How are these sums spent and what is the truth of the reports circulated among well-informed circles about financial scandals behind the weapon deals?

Since the beginning of the arrival in Beirut port of U.S. ships loaded with weapons and ammunition for the Lebanese army, i.e., since the beginning of last May specifically, those who are well informed with what goes on in the lobbies of the military establishment have discovered the fact that the delivered ammunition is not fit for use in any way, either because it is old, and therefore damaged, or because of manufacturing flaws.

When seeking the causes for the purchase of such munitions, even though they are damaged and impossible to use, the features of the entire scandal became clear. The sole aim is to conclude deals for enormous sums so that commissions may be collected, regardless of the quality of the "goods." There are numerous weapon dealers who, in coordination and collusion with a number of officers, concentrate on concluding deals to supply the army with ammunition. When the deal is concluded and when they collect their commission of hundreds of thousands of Lebanese pounds, they do not care at all how suitable for use is this ammunition. Some have even advised the authorities concerned to divert the ammunition to the warehouses or to destroy it in the hope of concluding new deals and reaping more profits.

Last July, a weapon dealer from the Jarudi family who is a relative by marriage to an ex-prime minister concluded a deal, in coordination with an officer in the Mobilization and Equipment Directorate, for the purchase

of artillery and tank shells valued at 4 million pounds. The man reached agreement in Paris with a western company that sells leftovers of the African wars and shipped the weapons deal to Beirut port on 18 July when it was found out that the ammunition was completely damaged. Meanwhile, the dealer collected a commission of no less than one million pounds.

The first such incident took place last March in the wake of President Ilyas Sarkis' visit to France. 'Ahad Barudi, a well-known weapon dealer who is close to all the presidents of the republic and who has contributed toward financing some presidential campaigns, took part with the son of an ex-president and a number of middlemen in concluding the deal. The deal was concluded in Paris for 9 million pounds and its outcome was tons of old ammunition and ammunition for weapons that the army does not use altogether.

At another level, the well-informed circles are talking about an expected deal concerning maintenance of the Mirage aircraft that Lebanon owns and that are lying in their hangars. A number of merchants and of politicians are insisting on the need for maintaining these aircraft so as to guarantee the well-known commission. Meanwhile, the U.S. military officials have informed the Lebanese army command of their objection to the principle of relying on the fighter Mirage plane "in view" of the fact that Lebanon does not need it because it will not embark on war against Israel that would require possession of such military aircraft. The U.S. military officials have also informed the command of their proposal to supply the army with three squadrons of Skyhawks (20 to 27 aircraft) and with nearly 20 sophisticated Hawker Hunters. The army command has a detailed plan in this regard. Thus the pockets of middlemen, both civilian and military, continue to be "armed" with hundreds of thousands [of Lebanese pounds] while the ammunition shipments find their way one after the other toward destruction or toward sale in the scrap metal market.

Structure of Lebanese Army by Positions and Names

Command Structure:

1. Higher Defense Council

It consists of the president of the republic, the prime minister, the deputy prime minister, the minister of defense, the minister of finance, the minister of interior, the army commander and the secretary general of the Higher Defense Council.

2. Ministry of Defense:

It consists of the minister of defense, the army commander, the Military Council, the General Administration Directorate, the Inspector General's Office and the Military Chamber.

A. The Military Council

It consists of the army commander, the secretary general of the Higher Defense Council, the general director of the General Administration Directorate, the inspector general, first member, second member and the chairman of the Military Chamber.

The General Administration Directorate consists of the following officers: The Equipment Office, the Superintendent's [al-qawwamah] Office, the Engineering Office, the Geography Office, the Health Office and the Finance Office.

The Inspector General's Office includes the inspector general, the secretary, the education, training and sports inspection branch, the weapons inspection branch, the health inspection branch, the personnel, equipment and finances management inspection branch.

3. Army Command:

A. Army commander: Gen [al-'imad] Victor Kuri.

Attached to the army commander are:

Personal Chief of Staff: Col Emile Lahhud.

Information Director: Squadron Leader Mahmud Matar.

Intelligence Chief: Maj Johnny 'Abduh.

Inspector General: Group Captain Fu'ad al-Husami.

B. Chief of Staff: Brig Gen Munir Tarabiyah.

He is assisted by the following four deputies:

1. Deputy Chief of Staff for Operations: Lt Col 'Abbas Hamdan. Attached to him are:

Intelligence Directorate: Maj Ghassan Dahir.

Operation Directorate: Lt Col Edgar Ma'luf.

Training Directorate: Lt Col Zuhayr al-Tinnir.

Civil Defense Directorate: Lt Col Emile Karra.

Secretary: Capt Robert Bujawad.

Technical Naval Adviser: Maj Antoine Kuraydi.

Technical Air Adviser: Lt Col Muhammad 'Adnan al-Khalil.

2. Deputy Chief of Staff for Planning: Col Habib Faris. Attached to this deputy are:

Research Directorate: Lt Col Sa'id al-Qa'qur.
Equipment Planning Directorate: Lt Col Fu'ad 'Awn.
Personnel Planning Directorate: Lt Col 'Abd-al-Halim Kanj.
Budget Directorate: Lt Col George Jubayli.
Secretary: First Lt Muhammad Halal.

3. Deputy Chief of Staff for Personnel: Staff Col 'Afif Sha'ban. Attached to this deputy are:

Health Directorate: Col Jirjis Qumayr.

Mobilization Directorate: Maj William Bu'awn.
Social Affairs Directorate: Maj Mahmud al-Khatib.
Administration Directorate: Maj Emile Rizq.
Technical Office Chief: Lt Col Ilyas Saliba.

4. Deputy Chief of Staff for Equipment: Staff Col Jan salim. Attached to this deputy chief of staff are:

Equipment Directorate: Col Harith Ra'd.
Geography Directorate: Lt Col 'Ali Hamdan.
Engineering Directorate: Maj Jan Qastum.
Superintendent's Office: Lt Col 'Abdallah Khuri.
Administrative Assistant: Maj Halim Lahhud.
Technical Assistant: Maj Adib Abu-Ghanim.

C. Military Chamber: Col George Qazzi.

Army Units [tashkilat]

The army includes the following units and weapons:

Infantry, artillery, tanks, air force, naval forces, engineering, military police, signal corps, missile company, electronic interception company, independent secret signal company.

The military areas are divided into five areas: Beirut, Mount Lebanon, the south, the north and al-Biq'a'. A brigade is stationed in every area, except for Mount Lebanon where there are two brigades. The army command is in al-Yarrah where the seventh brigade is stationed.

The seven brigades are stationed as follows:

First Brigade is stationed in Ablah, al-Blaq'.
Second Brigade is stationed in Tripoli, the north.
Third Brigade is stationed in Sidon, the south.
Fourth Brigade is stationed in al-Fay,adiyah, Mount Lebanon.
Fifth Brigade is stationed in Sarba, Mount Lebanon.
Sixth Brigade is stationed in Beirut.
Seventh Brigade is stationed in al-Yarrah.

1. Beirut Area:

Area Commander: Col Mukhtar Mazbudi.

Area Chief of Staff: Staff Lt Col Sami Tanyus.

Operations Assistant: Staff Lt Col Badi' Tarabiyah.

This area includes the following barracks and centers: The Henry Shihab Barracks, the Beirut Air Base, Beirut Command Center, Beirut Information Office where the radar station is, al-Masalih Barracks (Badaru), Tripoli Barracks, Prince Bashir Barracks, Fakhr-al-Din Barracks, Combat School.

2. Northern Area:

Area Commander: Staff Lt Col Nadim al-Hakim.

The area includes the following barracks: Yusuf Hulayl Barracks (Tripoli), 'Araman Barracks, al-Barun Barracks, al-Arz Barracks, 'Andaqit Barracks ('Akkar), al-Qulay'at Air Base, Ski School.

3. Al-Biqa' Area:

Area Commander: Michel Khuri [no rank given].

Commander of First Infantry Brigade: Maj Ibrahim Shahin.

Al-Biqa' Deputy Commander: Staff Lt Col Adib Sa'd.

Area includes the following barracks and centers: Ablah Barracks, Rashayya al-Wadi Barracks, Riyaq Air Base, Training Institute, Kawkaba force.

4. Mount Lebanon Area:

Area Commander: Col Emile Kallas.

Assistant Commander: Lt Col Antoine Karam.

Area includes following barracks and positions: The Ministry of Defense in al-Yarzah, Shukri Ghanim Barracks, Military College, Hammama Barracks, Kfar Shima Barracks, Baty-al-Din Barracks, al-Hadath position, 'Ayn al-Rummanah position, Bakfayya and al-Duwwar position, Raymond Kayik Barracks in Sarba, Junyah Naval Base, Dubayyah position, al-'Aqurah position, Sijn Rumiyyah position and Bayt Miri position.

5. Southern Area:

Area Commander: Lt Col Hani 'Abbas.

Area includes following barracks and positions: Muhammad Zughayb Barracks in Sidon, al-Salihiyah Barracks, Southern Battalion, Jizzin position.

[Box on page 10] Ships...Ships

In the past 2 months, four U.S. ships loaded with weapons and ammunition arrived in Beirut port on the following dates:

One ship on 18 July (ammunition).

One ship on 24 July (artillery).

One ship on 4 August (carrying, in addition to artillery, 150 Milan-type missiles).

One ship on 10 August (tracked vehicles [mallalat] and trucks).

A ship carrying heavy artillery is expected to arrive in the next 2 days.

Training Courses Against Whom?

Recently, the army command has been constantly sending officers abroad for military courses. A number of army officers are currently going through three kinds of courses:

A staff course which started in France last May and in which nearly 17 officers are taking part. This course lasts from 3 to 6 months.

A course for assistant staff officers in France and Belgium. Thirteen officers are included.

A military intelligence course in the United States which started at the beginning of last February and which includes about nine elements.

8494

CSO: 4802

COLLECTIVE AIDS LOCAL SOCIETIES THROUGH COOPERATIVE SYSTEM

Tripoli AL-ARD in Arabic 10 Jul 79 pp 4-5

[Article: "Tripoli Collective Association and Its Role in Agricultural Development; Tangible Services for Farmers at Right Time and Within Close Vicinity; Supplying Machinery at Lowest Prices; Cooperative Agricultural Marketing Association to Protect Producer and Consumer and Eliminate Exploiting Middleman"]

[Text] The greatest tribute paid to the farmer is the statement made by the revolution leader: "No independence for people who get their food from overseas." Through this statement, the leader has put the peasant masses in the front trench for achieving the economic independence that is no less important than the political independence. The farmer's task is hard and difficult because he deals with the unknown and wants to wrench food from this unknown so as to score the greatest victory for the country, namely the victory of realizing economic independence.

Completion of Cooperative Agricultural Structure

This interest and tribute was crowned with the promulgation of agricultural cooperation law No 46 of 1971 concerning the cooperative agricultural associations in accordance with which numerous associations have been founded in various parts of the Jamahiriyah.

The Tripoli Collective Association, along with its sister collective associations in all parts of the Jamahiriyah, came to complete the cooperative agricultural structure.

The Tripoli Collective Association was found on 14 April 1975 and included in its membership since its foundation 12 local associations. The number of local associations joining this collective association then rose until it reached 31 associations and the number of members belonging to the collective association reached 26,000. Upon its foundation, the capital of this association did not exceed 24,800 dinars split into 280 shares, each with a value of 100 dinars.

Bolstering Work of Local Associations

Speaking about the collective association's goals, brother al-Tahir Farrarah, the [Tripoli] collective association director, says: Defining these goals, law No 36 of 1971 states that the collective association shall carry out activities in all the spheres and successive phases of agricultural production and shall perform the economic and social services required by the needs of its members. The collective association also bolsters the local associations belonging to it and helps them in the spheres of cooperative financing, marketing, supplying the machinery needed for cultivation, supplying the member associations with the agricultural production needs that they require and offering them economic, social and technical services, in addition to following up and guiding the course of work in the member associations. Moreover, the collective association draws up guidance, training and enlightenment programs in the various cooperative agricultural spheres within its area and sets up specialized workshops for the maintenance and repair of the agricultural machinery owned by the local associations, as well as providing the spareparts necessary for this purpose.

Securing Agricultural Requirements

Regarding the accomplishments made by the association, brother Farrarah said: The association began its work by exerting efforts to secure the agricultural requirements needed by its members so as to enhance agriculture as a first step toward self-sufficiency. The association studied and discussed offers and set technical specifications compatible with the nature of work in the areas of the local associations and with the prices.

Subsequently, the association imported numerous ordinary and sunken pumps and tons of [rabt al-tall wa al-khartan] wire and distributed them to the local associations. It also imported artificial rain pipes [anabib al-matar al-sina'i, some sort of sprinkler system] and has secured the spareparts necessary to repair this equipment in case it is damaged.

Quality and Right Price

The collective association is one of the elements of the cooperative movement. It does not so much seek profit as it seeks to offer vital and tangible services to the farmers at the right time and within close vicinity so as to lighten the burden of the farmer. The association has been careful to provide good machinery to the farmers at the lowest prices. A technical committee has been formed of al-Fatih University, the mechanized agriculture section of the Secretariat of Land Reclamation, the Collective Association and the Peasants Federation to study the best and most suitable machinery for our farmers.

Machinery at Half Market Price

In the light of these controls, the association started its work and made enormous strides to provide machinery to the farmers at the right time and

to wipe out the greed and exploitation of the merchants. The association has saved the farmers one half the cost, compared to the prices of the Public Agricultural Machinery and Requirements Organization and the prices of the merchants.

For example, the association was able to supply the [rabt al-khartan] wire a month ahead of schedule and distributed it to the local associations at a cost of 6.541 Libyan dinars per roll whereas the same kind of wire was sold by the merchants and by the Public Agricultural Machinery and Requirements Organization at twice this price. This means that the association was able to reduce the cost of the machinery or of the needed materials by 50 percent in favor of the farmer.

Cooperation With Other Associations

The association's services have not been confined to its members but have gone beyond them. The association has supplied al-Zawiyah Collective Association, the Wadi Tila Association in Sirt and al-Bawanis and al-Ruqaybah Associations in Sabha with their needs of [rabt al-tall] wire. It has also supplied other collective associations with their needs.

Increasing Volume of Transactions

The number of the associations belonging to the collective association when it was first founded was 12. But after the collective association proved its ability to shoulder the tasks entrusted to it, the number of associations joining it rose to 31.

Moreover, the volume of the association's transactions rose from 512,526 dinars to 3,506,000 dinars in 1977. However, this volume dropped to 2 million dinars in 1978 because importation was confined to the National Organization for Farm Machinery. As a result of the creation of this organization, a number of problems emerged and the delivery of farm machinery to the farmers was late.

Warehouses and Maintenance Workshops

As a result of the problems and the delay, the issue was presented to the people's conferences and a committee was formed to study the needs of the associations. This committee was formed from the Cooperative Union and from representatives of each collective association so as to establish coordination between the associations and the public organizations. Consequently, the associations regained their licenses to import a part of the agricultural machinery and requirements, such as sunken and ordinary pumps.

In addition to these accomplishments pertaining to the supply machinery and requirements, another important accomplishment is in progress. This accomplishment is located on the road to the airport and consists of the project

to build warehouses and workshops specialized in the maintenance and repair of pumps and to send national elements [abroad] to get training on the maintenance and repair of pumps. All this is being done with intrinsic efforts. The association also supervises the progress of work in the local associations, contributes toward solving the problems that face these associations and helps these associations in agricultural marketing and with other services.

Three Months Without Fertilizers

Numerous problems face farming work, including the unavailability of fertilizers, pesticides and spareparts. Fertilizers have not been available for more than 3 months and the farmers have ploughed their land without fertilizer. Moreover, spareparts are not available. Some associations have numerous pieces of machinery that are idle because of the unavailability of spareparts. This requires speedy action to supply the requirements at the right time.

Regarding the association's role in the agricultural marketing process, brother al-Tahir Farrarah says:

The association is the link between the local associations on the one hand and the agricultural organizations and projects on the other.

For example, when the projects need [al-Khirtan], they contact the collective association which in turn notifies the local associations to supply [al-khirtan]. Moreover, the collective association sets the process of marketing the production of the projects.

Protecting Producer and Consumer

The association also has a role in marketing the farmers' production through the Public Marketing Organization. What is more, as soon as the collective association became aware of the marketing problems experienced by the farmer, especially in the Tuesday Market [Suq al-Thulatha'], it contacted the brother secretary of land reclamation for the Tripoli Municipality who issued a decree for the formation of a committee to study this market phenomenon and to market vegetables and fruits in a manner that protects the producing farmer and the consuming citizen through proper economic prices. The committee will start its work soon. This committee has an idea for setting up a cooperative marketing association so as to protect the producer and the consumer and to eliminate the exploitative middleman who exploits both the farmer and the consumer and reaps enormous profits at their expense.

Finding Out Needs of Associations

The association's work program starts with finding out the requirements of the [local] associations and of their members and then with exerting efforts

to secure these requirements at the right time so that agricultural work in the farm may not be delayed. The association's work is different from the work of other [organizations] in that it exerts efforts to find out the needs of the farmers and carries out the followup work to secure these needs before the start of the agricultural season. All members of the collective association are farmers and those running the association's affairs are real full-time farmers who have no job, industrial or commercial ties that bind them to any vocation other than agriculture. Here is where the role of the full-time farmer who understands the feelings and problems of the farmers, that are also his feelings and problems, becomes obvious and this is why this farmer exerts maximum efforts to solve the problems of the peasants.

As for the brothers in the Public Organization for [Farm] Machinery and in the other organizations connected with agricultural production, they are civil servants and not farmers. Therefore, their awareness of the feelings and problems experienced by the farmer is much narrower and is almost nonexistent when compared to that of the association's farmer who feels and understands the consequences of the unavailability of the requirements at the right time. This is what has helped the association to be successful in providing the farmer's needs at the right time and at the lowest prices.

8494

CSO: 4802

CURRENT PRODUCE MARKETING PRACTICES SEEN AS DETRIMENTAL TO FARMERS

Tripoli AL-USBU' AL-SIYASI in Arabic 3 Aug 79 pp 4-5

[Article by Sayyid al-Jabarti: "Tuesday Market, Juha's Secret-Filled House; Hundreds of Producers in Grip of Middlemen and Wholesalers"]

[Text] The agricultural produce market is more like Juha's house, once you enter it you cannot get out without much difficulty and without anxiety and fear and you never get one accurate answer to your questions.

What, for example, is the volume of the produce that pours into the stomach of Tripoli Municipality which constitutes one half the stomach of the entire Jamahiriya? What is the share of each of the cooperative sector and the private sector in marketing agricultural produce?

What are the quantities of agricultural produce that enter the Tuesday Market [Suq al-Thulatha'] gate daily--a market where the largest volume of vegetables and fruits gather? Nobody knows.

No Statistics

This is due to a simple reason. The market's gate scales over which the vehicles of the producers who come to market their produce pass have been out of order for 2 years. Thus, the volume of the incoming produce is estimated in a haphazardly manner and with dependence on luck. Knowing this volume becomes a matter of parental invocations to God for accuracy.

The Secretariat of Economy acknowledges this fact in its memorandum No 9 regarding organization of the produce marketing--p 1.

"It has not been possible to acquire information or statistics that help recognize accurately the produce marketing channels, the production centers, the consumption centers and other fundamental aspects needed to draw up a detailed plan for the system to market this produce..."

Who enters the market?

Nobody know exactly the number and type of people who frequent the market, what they buy and what profit they make.

A civil servant can, for example, disappear from his job for a couple hours with his pickup truck, can purchase some (watermelons) or bananas, sell them at a street corner and return to his office before the departure hour with 30 dinars in his pockets as the yield of the day's extra work outside his job!

So that the reader may not be lost, like me, in the Tuesday Market, we will publish with this report a chart to help him through the alleys of the fascinating wholesale produce market which the producer enters risking his sweat and his production, at times making a profit and at others losing whereas the middleman enters it, always making a profit and never losing. This middleman controls the market and has the keys to its secrets, thus putting the agricultural producer and his produce in "his pocket."

The Farmers Federation has been constantly complaining about this situation.

Hundreds of agricultural producer still fall in the grip of the middlemen and of the wholesale merchants when they want to market vegetable and fruit produce, despite the efforts exerted by the agricultural cooperative associations and by the Public Agricultural Production and Marketing Company.

Tuesday Market Chaos

The smart household head goes to Tuesday Market and stores what he wants at wholesale prices.

This is a widespread custom.

The chaos in the Tuesday Market is embodied in the sight of trucks entering and leaving the market in the morning and midday hours and the disruption they cause in "market control," traffic control and human control. Everything is thrown into confusion. We resort to patience and to one of the studies conducted by the Secretariat of Economy to define the features of the picture as much as possible amidst this marketing chaos. As a result, the following becomes obvious:

Produce comes from two fundamental sources, namely: Individual farms and the farms owned by the Public Agricultural Production and Marketing Company. There are three prominent kinds of individual farms:

Private sector individual farms.

Repossessed [mustaraddah] farms.

The Agricultural Development Council farms.

The production of these farms flows into three terminals:

1. The wholesale merchant in the wholesale markets.
2. The initial middleman.
3. The storehouses of the Public Agricultural Production and Marketing Company through the preliminary collection centers that belong to the company and that are set up in the cooperative associations.

The production of the Public Agricultural Production and Marketing Company goes directly to the company's storehouses. The consumer gets his needs of produce from three main sources.

Pricing Chaos

The retailer gets his goods from the wholesale merchant in the wholesale markets, from a middleman or from the storehouses of the Public Agricultural Production and Marketing Company. There is no control over the retail prices at which the consumer buys. Despite the compulsory weekly price lists, produce prices in al-Andalus Quarter reach record highs whereas the prices in al-Zuhrah Quarter are a little lower. Fruit and vegetable prices at some grocers reach the level of the prices in London, Paris and Rome and are reasonable only at the city's old sidewalks behind al-Hut Market.

Despite the numerous sentences issued by the courts against price contraveners, the price differences between one quarter and another or one green grocer and another are unjustifiable. Some merchants prefer to throw their goods in garbage cans or leave them for animals to eat rather than lower their "margin of profit" like the American coffee merchants who dump their coffee in the sea to maintain its price levels.

The consumer can escape the "snare" only by going to the consumer associations or the shops belonging to the Public Agricultural Production and Marketing Company. These shops get their goods from the Public Agricultural Production and Marketing Company.

In addition to the abovementioned major marketing channels, there are some subsidiary channels. The producer sometimes sells some of his produce directly by displaying it at the agricultural road [sic], in nearby markets or in some side streets and popular quarters, such as Abu-Salim Quarter, the old city and Ghawt al-Sha'al.

The wholesale merchant may purchase the crop at the farm and then transport and sell it at the wholesale market on his own.

Agricultural Producer's Problems

We cannot learn the reasons why the consumer suffers from the vegetable and fruit market unless we learn the problems that the agricultural producer faces in marketing his produce.

Most of the farmers are not full-time farmers who devote all their time to the production and marketing aspects. Agricultural production is seasonal and this gives them more time to engage in other activities, in addition to the agricultural activity.

Moreover, most of the state attention and aid is focussed, according to the Secretariat of Economy's study, on bolstering the early stages of production and not the final product which is the element, when encouraged, that leads to higher productivity, larger volume of production and better quality.

These factors have been reflected in the produce market, leading to the following:

The reduced volume and the lower quality of the national production of agricultural commodities and the subsequent impact on the supply of such goods in the market.

The farmer's reliance on middlemen because he does not devote full time to farming and the failure of the cooperative associations to perform their desired role. Subsequently, the farmer loses a large part of the returns of the production process and these returns are collected by the middleman as commission for which he gives the farmer no noteworthy service in return. This is the problem from which the private sector farmer is suffering—a problem which has its effects on the market.

What are the problems of the producer in the repossessed farms and the reclaimed farms of the Development Council?

These are the farms that were restored to state ownership after being repossessed from the Italians or after being nationalized and reclaimed with the knowledge of the Development Council and were then distributed to a number of farmers to exploit them. The beneficiaries of these farms devote full time to their cultivation under the technical supervision of the Public Agricultural Reform Administration and of the Development Council. These beneficiaries also have the opportunity to market their production through their own cooperative associations and the other agricultural cooperative associations.

The study points out that most of these farmers have limited technical ability and experience and that this has led to a drop in the productivity of the farms and in the quality of their produce, the same as in the case of the private sector's individual farms.

Farmer and Agricultural Associations

The market and the problems from which it suffers cannot be understood without understanding the problems that the agricultural cooperative associations are of ultimate concern to the consumer. These problems affect the degree by which the consumer can meet his needs of the national vegetables and fruits.

Even though the goals of the agricultural cooperative associations is to help the farmers to gather and market their produce, these associations have not performed their role in this regard in the desired manner.

The relationship of the farmer with the cooperative association is almost limited to matters pertaining to the dispensation of aid.

But at the same time, there are specialized cooperative associations that play an effective part in the marketing aspect, such as the potato [farmers] association.

These problems can be summed up in the following:

The lack of headquarters for many of the associations and the inadequacy of the staffs of these associations. This inadequacy has caused the associations to fail to respond to the encouragement that the state gives them so that they may shoulder their responsibilities in the spheres of production and marketing.

The lack of records and of statistical data and, consequently, the absence of control over the activities of these associations.

The lack of full-time members and the widespread illiteracy which have affected the proper management of these associations.

The failure of the management to establish the relationship between the association and the farmers on contractual bases binding to both sides.

The lack of storehouses and cold storage facilities with adequate storage capacities in many of the associations. The storehouses that the associations have are mostly unfit, as noted in the official reports.

The widely scattered associations and the long distances separating one from another, the difficulty of transporting produce to these associations and the fact that most of them do not have their own means of transportation and are compelled to use privately-owned means of transportation to ship the produce of their members. This results are the high costs of transporting the associations' produce to the markets.

The failure to provide many of the associations with crates, loading and unloading equipment and weighing equipment so as to display the goods in a modern fashion in the markets.

The failure to spread the specialized type of cooperatives, a specialization that enhances the efficiency of such associations.

The failure of the associations present in areas that produce large quantities of a certain crop, such as dates, to set up projects that enhance their marketing capability and increase their income.

The sinking of a large part of the associations' financial resources in high-price production equipment that exceeds the needs of the farms within the framework of these associations and this has resulted in causing the associations to lose their ability to meet the short-term financing requirements needed to market certain crops and, consequently, has forced the farmer to resort in this respect to the wholesale market middlemen.

Farmer Knows Its Fate

As a result of all the abovementioned conditions, many producers can find no alternative other than the middlemen and the wholesalers to dump [part of sentence missing] all their production. Meanwhile, the middlemen and the wholesalers face none of the risks, such as the damage caused to the goods, the lack of demand for such goods, the low prices or any other risks, all of which are shouldered by the farmer.

Some producers sell their produce to wholesalers who often hold back what they purchase from the market to wait for higher prices.

Saving the consumer and the farmer from exploitation, from risks and from the price chaos cannot be done [except] by an establishment owned by the people. In 1973, the Public Agricultural Production and Marketing Company, was founded for this purpose.

Green Hope

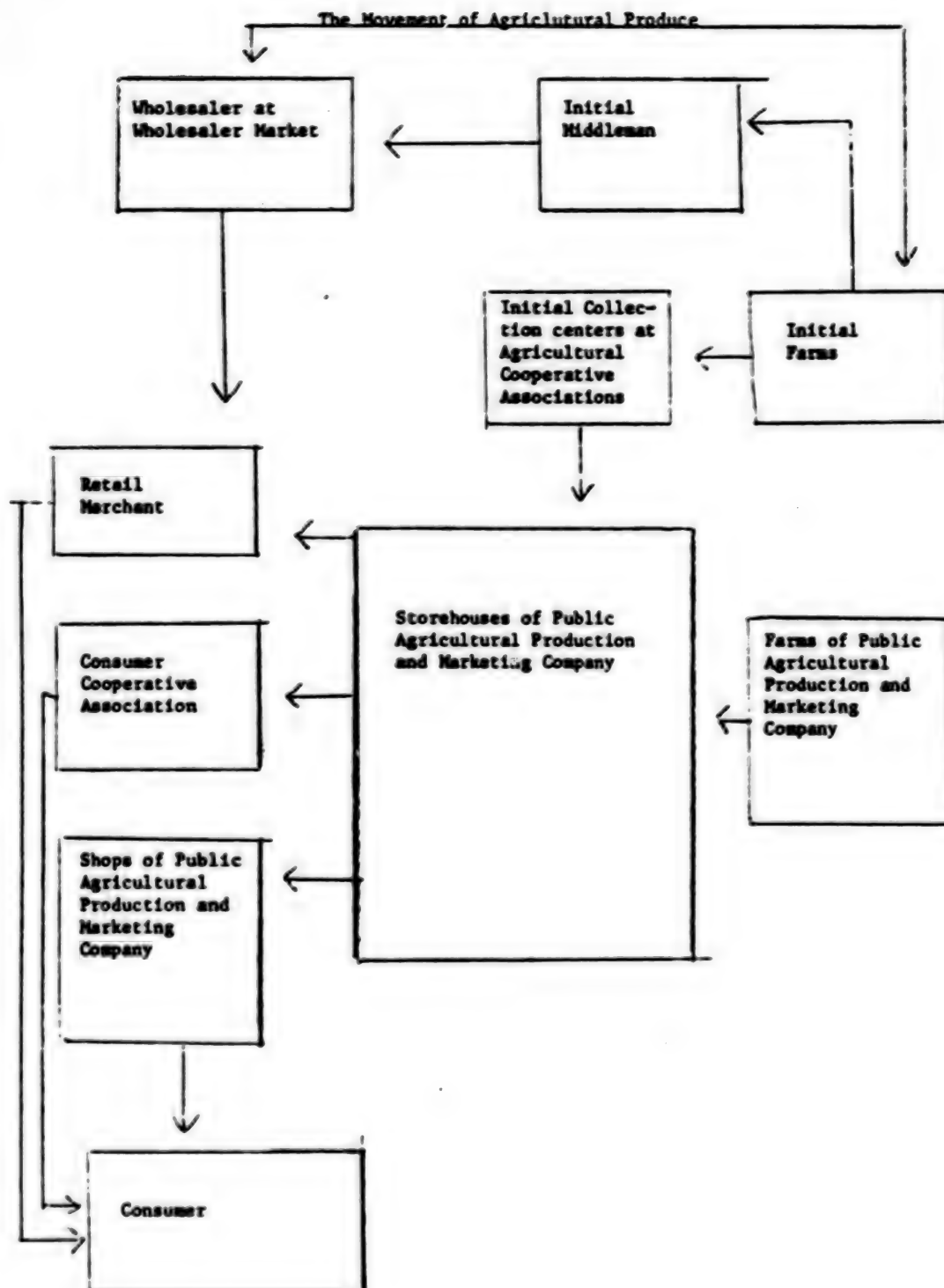
Insofar as agricultural marketing is concerned, the company has been marketing the crops that are gathered in the agricultural cooperative associations, especially citrus fruits and onions. The company has also expanded by opening shops to sell the products to the consumer directly in the most important markets. When the public markets (250) are spread throughout the Jamahiriyah, this company will have its role in organizing the marketing of produce.

The company is facing currently, according to the Secretariat of Economy's report, a shortage in the number and experience of those managing the farms, the shops and the storehouses supervised by the company. It is also suffering from the domination of the "redtape" which prevents the company from taking decisive and speedy measures to solve the problems of the goods that it markets, most of which are subject to rapid damage.

When the public markets spread more widely and when the cooperative associations are bolstered technically and administratively, society's control over its agricultural and industrial production will increase and society will be able to rescue its production from the merchants' grip and trap and from the manipulation and alleys of the terrible Tuesday Market.

Society will then have accurate data on the quantities entering Tripoli's stomach, on the volume of the stores and on the daily movement of prices. There will be enough cold storage and warehouses to preserve for the longest time possible the right part of the surplus produce. The markets will be supplied with the packaging and weighing equipment that they now lack and they will be provided with the administrative and technical expertise needed to control the prices and to organize the entry, departure and weighing of goods.

We will then tell this "big trap" that ensnares hundreds of producers and thousands of consumers: Goodbye forever.



8494
CSO: 4802

LIBYA

BRIEFS

FISH FARM IN BENCHAZI--The studies and blueprints have been prepared for setting up a marine fish farming complex in 'Ayn al-Zabanah area in the city of Benghazi. The director of fish farms in the General People's Committee for Light Industries has said that this complex is expected to produce 800 tons of various types of fish annually. The complex includes a center for training specialized technical cadres, a fish hatchery, numerous freezers to keep the fish and maintenance workshops to repair the equipment. There are at present three fresh water fish farms: The first is in Wadi al-Mijannayn Dam, the second in the Wadi Ka'am Dam Lake and the third in the 'Ayn Ka'am Farm. These farms have produced superb results because of the Jamahiriyah's natural and climatic conditions. The construction of these farms comes as a part of the plan drawn up to achieve self-sufficiency in accordance with the statement "there is no independence for people who get their food from oversea." [Text] [Tripoli AL-ARD in Arabic 3 Jul 79 p 1] 8494

CSO: 4802

MAURITANIA

WATER CONSERVATION, ANTI-DROUGHT MEASURES STRESSED

Nouakchott CHAAB in French 13 Sep 79 pp 1, 8

[Editorial: "The Point: Save the Pastures"]

[Text] As part of the efforts made since 10 July 1978 by the government to stem the scourges of the drought and promote the recovery of our national economy, the Ministry of Rural Development has taken a major step in the search for a real policy for the recovery of the rural economy and the preservation of the forests and water resources.

It is in this context and after a satisfactory rainfall in several of our localities recently that the minister of rural development launched yesterday an appeal to all the services of his department, the regional authorities, the stockraisers and farmers so that together they may conduct a concerted action to save our natural wealth.

If, contrary to previous years, the rainfall has been satisfactory, it is nonetheless true that the utilization of our water wealth must be carried out in a rational and judicious manner. In this field waste and dispersion must not have the force of law. The service of the department of rural development, our farmers and our shepherds must see to it that the water from which a generous rainfall has made us benefit be utilized for purposes of agricultural production, the reconstitution of our half-decimated herds and in the service of our country's development.

Although Mauritania is not very rich in water resources, it has at its disposal all the same a sufficient quantity of water to irrigate its fields and water its flocks.

The authorities concerned, the farmers and the stockraisers must combine their efforts and coordinate their initiatives to overcome the drought which has made many ravages in our country.

The Mauriticians who have proved themselves in situations sometimes more difficult will mobilize themselves undoubtedly to combat this drought which threatens their very existence. They will be able, as in the past, to provide their appreciable assistance so that their country may emerge from a situation detrimental to our development.

Only, so that their actions may succeed, they must mobilize for the struggle against the advance of the desert. To do this, our populations must respect the vegetation cover and participate in its reconstruction and preservation, because it is in this spirit that the national leadership has decided to institute a national tree planting day. Also, the Mauriticians will participate in a positive manner in the reconstruction of our seriously threatened flora.

There is no doubt that the appeal issued yesterday by the minister of rural development will have favorable repercussions among our populations because first and foremost it is in their interest.

CSO: 4400

IRON AND STEEL INDUSTRY TO BE LAUNCHED NEXT YEAR

Riyadh AL-RIYAD in Arabic 9 Aug 79 p 3

[Article by Muhammad al-Qahtani: "Iron and Steel Production To Begin Next Year"]

[Text] The production of iron and steel will begin in the middle of next year. Production will first begin in the western region and, 3 years later, in the eastern region. With such a development, SABIC [Saudi Basic Industries Corporation] performs another industries leap, in addition to securing a prominent place for the kingdom among the nations of the industrialized world. SABIC is undoubtedly simulating the national economy by promoting light industries, either by way of expanding present industries or else by establishing new plants and industries based on the output of petrochemical plants as well as by promoting the exportation of iron and steel and other heavy products which would bolster oil exports.

The establishment of basic industries involves two kinds of ancillary industries which would support and assist in the process of instituting those industries. One is construction and building materials. The other is those industries which are complementary to or dependent upon the basic industries for primary, raw materials. The scope here is quite large, of course. Such large projects, including plastics, paints and so forth, will be able to meet the needs of consumers.

Future General Production

About the development of projects, engineer 'Abd al-'Aziz al-Zamil, vice chairman of SABIC, says that a project goes through three stages--development, implementation and operation. The first stage is that when the project is an idea. At that stage, marketing, engineering and cost studies are conducted. These are the elements of the economic actualization process.

Then come the negotiations. All these steps are part of the stage of project development.

The first of our projects will begin production, God willing, in the middle of next year. This will be an iron and steel project located in Jidda. In Jubayl, the first iron and steel project, together with a chemical project, will begin production at the beginning of 1983 A.D. As to the distance SABIC has so far covered in its career, al-Zamil says that it would be easier to answer this question in terms of citing the percentage of progress in each stage. For example, he says, we have completed the development stage, 80 percent of the designing and construction stage, and 10 percent of the implementation stage.

Prominent Industrial Place for the Kingdom

We asked engineer al-Zamil how he envisions the kingdom's industrial future through SABIC. He replied: I can see the kingdom occupying a prominent place in the petrochemical industries. The private sector will be greatly stimulated and will vigorously adopt those projects the primary materials for which can be acquired through the basic industries. This will in turn create activity in other industries. With the success of the basic industries, industrial exports will greatly increase and we will be able to export materials other than just crude oil.

Partnership Conditions

The selection of a partner for SABIC touches off a free competition in the kingdom. Actually, there are five conditions for the selection of a SABIC partner. The partner should have experience. Secondly, the partner should have experience in the material aspects [of business]. Furthermore, we do not accept a partner who is losing somewhere else and comes to us to get work. A partner should also have a marketing ability. This is more important than anything else. A partner should also have technical ability. The selection process, however, goes through other stages. Many companies say that they are able to train Saudi citizens to be partners of SABIC. These are some of the principles and conditions involved in the selection of a SABIC partner, but there are other conditions too.

No partner has ever manipulated prices in his relationship with SABIC. On the contrary, says engineer al-Zamil, we were able to get better terms than is the case in many other states. We are able to draw a comparison here because the companies with which we are partners have previously engaged in industries similar to those jointly mounted with SABIC. The offers we have received were, thank God, less (costly) than we had expected and were based on the principle of honest and fair competition and the companies' desire to work.

Answering the Skeptics

Engineer 'Abd al-'Aziz al-Zamil says that skeptics began to increase 4 years ago. There were saying that we would not succeed. When they saw

the kingdom entering this field, they began to exaggerate things for fear of competition from the kingdom. They also claimed that Saudi production would generate a large surplus in the world markets, which would bring prices down and affect Japanese, American and European goods. We told them at the time that the kingdom's goal is not to harm present industries or harm the world market, but merely to get the share it deserves in the petrochemical sector, in its capacity as an oil producing state. In spite of this, they maintained their allegations until approximately 1 year ago when the prices of petrochemical products began to register sharp increases. The increases ranged between 20 percent and up to 120 percent. Furthermore, the producing firms failed to honor their obligations in chemical products and eventually refused to make any obligations and commitments at all. Some 45 Saudi plants which depend on such products were hurt as a result of that. This forced SABIC to meet the needs of those companies. After all that, the companies were convinced and recognized that Saudi production will not hurt their markets and that Saudi products are greatly needed by the world market.

Supporting Projects

Such projects include the steel rolling mill built in Jidda about a month ago. God willing, the Saudi-Taiwanese joint fertilizer project will be established before the end of the year.

As to the production share of SABIC's partners, engineer al-Zamil says that the share varies from one project to another. There are two kinds of agreements: agreements under which the partner buys a certain percentage of the production for his own use or the use of a company belonging to him, and marketing agreements. Normally, we ask the partner to take 60 percent of the production.

Training of Employees

With regard to the training of SABIC employees, engineer al-Zamil says that the number of employees--technicians and administrative staff alike--sent to Europe, America and Japan for training amounts to 70, in addition to some 12 to 15 employees who are undergoing special training for certain specialized jobs at SABIC. There are also seminars and symposiums. The basic aim is to raise the standards of SABIC employees so that they can offer their best. In fact, we were able to send 70 engineers for training before the beginning of production. Those engineers will be able to push forward the wheels of industrial development. Actually, development cannot be worthwhile without competent and skilled Saudi elements, and we have complete faith in their competence.

It has also become clear to us that to provide incentives without increasing the opportunities of associations and contacts between employees and officials is inadequate. Once an employee feels that he is the basis of work, we will be able to attract more young Saudis.

We have achieved 91 percent of our training goal, and we hope that training will continue. Our confidence is growing that the percentage of Saudis in all the projects of the corporation will be high. Our experience in the field of training is still a short one. There is already a group of employees who have completed their training and were placed in the proper positions. When production begins, those employees and engineers will be part of the new corporation.

9254

CSO: 4802

NEW ELECTRIC COMPANY LICENSED IN SOUTH

Riyadh AL-RIYAD in Arabic 25 Jul 79 p 2

[Article: "Approval Granted for Establishment of the Unified Electric Company in the South; 1 Million Riyals and the Formation of a Ministerial Committee To Elect Board of Directors"]

[Text] At-Ta'if--SNA: A royal decree has been issued approving the establishment of the Unified Saudi Electric Company in the southern region and granting the new company a concession to generate, conduct and distribute electricity for a renewable period of 30 years in the areas of al-Bahah, 'Asir, Najran and Jizan. Following is the text of the decree:

No: S.M.-43

Date: 8-22-1399 H.

With the help of the Almighty God, we, Khalid Ibn 'Abd al-'Aziz Aal Sa'ud, king of the Kingdom of Saudi Arabia;

After taking cognizance of Articles 19 and 20 of the Cabinet statute issued by Royal Decree No 38 of 10-22-1385 H.;

And after taking cognizance of Articles 51 and 52 of the corporate statute issued by Royal Decree No M-6 of 3-22-1385 H.;

And after taking cognizance of the statute of the Electric Services Authority issued by Royal Decree No M-12 of 3-20-1392 H.;

And after taking cognizance of Cabinet decision No 221 of 8-8-1399 H.; have decreed the following:

One--To approve the establishment of a joint-stock company to be called "The Unified Saudi Electric Company in the Southern Region" and to grant it a concession to generate, conduct and distribute electricity for a renewable period of 30 years in the areas of al-Bahah, 'Asir, Najran and Jizan. The company shall be jointly set up by:

1) The government, represented by the General Electric Establishment, joining with corporate and cash shares.

2) The concessionary electric companies in the aforementioned areas, joining with corporate shares, and the electric companies and projects belonging to coops which are authorized to sell electricity and receive government subsidies.

Two--To cancel the concessions and licenses granted to electric companies in the areas in question, provided that those companies and the coop projects should continue to supply their customers with electricity and undertake the necessary expansions in their networks to cope with the continuous growth in electric loads, and should discontinue the expansion of their generation capacities, except to the minimum and only after getting a written approval from the unified company, until the assets of those companies and the coop electric projects have been assessed and incorporated in the new company and until the new company begins to exercise its full responsibilities in the region within a maximum period of 1 year.

Three--The nominal capital of the new company shall be set at 4 billion riyals, of which the following should be paid:

1) The government's corporate share, which is the equivalent of the General Electric Establishment's subscription to the capital of the electric companies which will be incorporated into the new company. Also, the book value of the central projects being undertaken by the General Electric Establishment in the concession area of the new company.

2) The sum of 1 billion riyals, which is the government's cash share of the capital. This sum would include the value of the loans given by the state to the electric companies and coop electric projects which will be incorporated into the unified company.

3) The value of the assets of the concessionary companies which will be incorporated into the unified company, as well as the assets of the electric companies and coop projects which are authorized to sell electricity and which receive government subsidies. These latter assets are to be determined by the Ministry of Industry and Electricity.

Four--a) The first board of directors of the new company shall consist of five members who shall be appointed and whose terms of membership shall be decided by a ministerial committee made up of the minister of industry and electricity, the minister of finance and national economy, the minister of planning and the minister of trade.

b) The board of directors shall draw up a draft of the company's bylaws and the aforementioned ministerial committee shall be entitled to adopt the bylaws after securing the approval of the minister of trade.

c) The concessionary electric companies and the other companies and coop projects which are authorized to sell electricity and which receive government subsidy in the areas of al-Bahah, 'Asir, Najran and Jizan shall merge once their assets have been determined with the knowledge of the Ministry of Industry and Electricity. They will then be incorporated into the unified company in accordance with their corporate shares, and the new company's capital shall be increased to the relevant total by a decision of the minister of industry and electricity, taking into consideration the need to allocate a certain percentage of the capital to public subscription.

d) The ministerial committee set up in accordance with this decree shall determine the amount of any government loans that need to be granted to the unified company to enable it to expand its capacity of generating, conducting and distributing electricity in order to meet the total demand on electricity in its concession area.

Five--The deputy prime minister and the ministers concerned shall implement this decree.

9254

CSO: 4802

SAUDI ARABIA

BRIEFS

IRRIGATION COOPERATION WITH TAIWAN--Taipei--SNA--The Chinese government will send a team of technicians to Saudi Arabia to help in the development of an irrigation system in the al-Ihsa' Province, a spokesman for the Ministry of Economic Affairs has stated here. The Saudi government has expressed its hope that the Republic of China would send 324 agricultural technicians to undertake that task. Agricultural cooperation between Saudi Arabia and the Republic of China has been going on for years. Under an agreement signed between the two countries, Taipei has sent a team of 26 agricultural experts to help Saudi Arabia increase its rice and fruit production. In August 1978, the two governments signed an agreement for the implementation of a joint project designed to organize irrigation the implementation of a joint project designed to organize irrigation waters. The Chinese government has sent 40 experts to Saudi Arabia to help develop the Saudi irrigation system. [Riyadh AL-RIYAD in Arabic 15 Aug 79 p 2] 9254

CSO: 4802

BACKGROUND TO FIRING OF FIRST VICE-PRESIDENT EXPLORED

Beirut AL-SAFIR in Arabic 13 Aug 79 pp 1, 9

[Article: "Tremors in Sudan Spread Disputes Inside Power Structure; Numayri Fires His First Vice-president Abu al-Qasem Muhammad Ibrahim From All His Posts After Old Disputes About Reforms, Wages and Problems of the al-Jaziri Farmers"]

[Text] Sudanese President Ja'afar al-Numayri issued a decree yesterday dismissing Abu al-Qasem Muhammad Ibrahim, the first vice-president, from his post. President al-Numayri in his capacity as head of the Sudanese Socialist Union, also issued a decree at the same time dismissing Abu al-Qasem from the post of secretary-general. Consequently Abu al-Qasem Muhammad Ibrahim has lost both his posts, and the statement gave no reasons for this action.

Beginning of the Dispute

The dispute between President al-Numayri and Abu al-Qasem Muhammad Ibrahim came to a head last July because of the reform plan which set forth a new basis for workers' conditions in the country and for wage and salary rates. Studies for this project had begun 3 years ago, preparatory to applying it with the blessing of President al-Numayri, who praised it and considered it a trail-blazing project which would establish national principles and bases for public service in Sudan. It was decided that the cost of this plan would be 37 million pounds, but applying the first half of it amounted to 150 million pounds, which resulted in official criticism being aimed at the job reform office and a statement being issued by the presidential office stipulating that the second half of the reform plan was considered all but completed and that the cost of the first half of the plan, 150 million pounds, would cover the entire project. Moreover, the leader of the People's Assembly, Badr al-Din Sulayman, delivered a statement in the Assembly in which he attacked the plan and demanded an investigation of everyone who participated in it!

This position had a far-reaching effect in state workers' circles, among professionals, officials and workers who have been living in hope that the

second half of the reform plan would be applied and would result in job-classification for them which would improve their working conditions and consequently their incomes, in order to enable them to meet the cost of living demands, since prices have risen crazily, making it impossible to afford the minimum living requirements.

The railroad workers' union was one of a great many trade-unions to be hurt by the decree cancelling the second half of the reform plan. The union held a meeting at its headquarters in 'Atbarah, in which it adhered to the plan and appealed to those responsible that it was necessary to apply it completely in accordance with President al-Numayri's promise made in his speech on the occasion of the workers' holiday last 1 May. The railroad workers' union also condemned the statement of the People's Assembly leader in which he washed his hands of the project, as well as the presidential office's statement which denied the right of the workers to obtain the second half of the plan. The union sent a telegram to the president, the first vice-president, and the leader of the People's Assembly regarding their position.

Faced with officials' silence regarding the plan, the railroad workers' union organized a political evening at its hall in which it criticized the state's position regarding the plan, and declared its adherence to the reform plan and the need for disbursement of the second half's additional monies in order to improve income as previously promised by President al-Numayri.

The atmosphere between the union and the authorities became electric, and at this point, Abu al-Qasem Muhammad Ibrahim, first vice-president and secretary-general of the Sudanese Socialist Union, went to 'Atbarah, the railroad capital located in the Nile Province north of Khartoum, where the railroad union had organized a parade comprised of all its membership to escort Abu al-Qasem from the airport to the union hall. Abu al-Qasem spoke to the assembled workers, praising their struggle over the years since the dawn of the national movement, and declaring that the reform plan and job classification were alive and that the second half of the reform money would be paid to each railroad worker at the end of July. The workers received Abu al-Qasem's speech with great delight and staged a noisy procession in support of him.

With Abu al-Qasem Muhammad Ibrahim's appeal to Khartoum, the atmosphere became completely electrified, since President al-Numayri felt that his first vice-president had gone beyond what he called "required discipline," and that his speech to the railroad workers only involved every state organization in a dilemma and was incompatible with decisions which must be adhered to.

Then the authorities concerned proceeded to issue statements confirming the People's Assembly leader's views as well as the presidential office's statement that the entire reform and job-classification plan had been

applied to the amount of 150 million pounds and that that meant there was no room for additional disbursements. At this point Abu al-Qasem Muhammad Ibrahim found himself in a difficult position, as did the railroad workers' union themselves, since the promise which Abu al-Qasem made as first vice-president and secretary-general of the Sudanese Socialist Union and completely evaporated and no longer had any effectiveness. All they could do now was to stick to their rights and confront the authorities in order to obtain the remaining reforms.

Water Tax

The first vice-president made a decision regarding the farmers of the "al-Jazirah and al-Manaqil project," during President al-Numayri's absence at the African summit conference in Monrovia, which exempted farmers from bearing the cost of irrigation water for fields which they cultivated for their own use, specifically to produce sorghum which is their principal food. President al-Numayri had issued a decree which required the farmers to bear part of the cost of agricultural production on the one hand, and to obtain a sum of money to cover the cost of the reform and job-classification plan, 150 million pounds, which only benefited the workers and officials, who constitute 10 percent of the total Sudanese population. Upon the vice-president's issuing his decision, the farmers returned to work; however, as soon as President al-Numayri returned from Monrovia, he criticized his first vice-president and cancelled his decree, which led to the "al-Jazirah-al-Manaqil" farmers federation's declaring a strike, which has gone into its third week without any crops being cultivated in that project. This is an important part of the cotton crop, the mainstay of the Sudanese economy, aside from other crops such as rice and sorghum, which threatens Sudan's agricultural position next year, since 15 August is the latest date to complete all agricultural operations in the al-Jazirah project, considered to be the largest agricultural project in Sudan and owned by the state.

Accusation of Non-compliance

These two incidents, apart from other things, resulted in violent arguments between President al-Numayri and his first vice-president Abu al-Qasem Muhammad Ibrahim, during which President al-Numayri accused his first vice-president of not complying with his instructions given to responsible officials for the purpose of achieving "rightly guided" leadership and which Abu al-Qasem proceeded to ignore.

Abu al-Qasem's Biography

Abu al-Qasem Muhammad Ibrahim was one of President al-Numayri's comrades in the military coup by which he seized power on 25 May 1969. Abu al-Qasem at that time held the rank of major in the paratroops and subsequently was entrusted with several ministerial posts, including the Ministry of Health and Ministry of Agriculture. President al-Numayri praised him on several

occasions and in official communiques for his efficiency, ability and bravery.

Abu al-Qasem led the military campaign during the confrontation between the Numayri regime and al-Mahdi's Ansar in al-Jazirah, "Aba," in the latter part of March 1970. He was also arrested with al-Numayri during the communist coup led by Major Hashem al-'Atta on 19 July 1971 which lasted only 72 hours and after which President al-Numayri resumed power. Trials were held in the armored corps headquarters in al-Shajrah, south of Khartoum, which resulted in the execution of three members of the Revolution Command Council whom al-Numayri had dismissed during a meeting of the Revolution Command Council on 16 November 1970, after having accused them of supplying the Soviet Union with information. The three then returned to power in the 19 July coup and were subsequently executed. They were: Lt Col Ba Bakr al-Nur, Maj Hashem al-'Atta, and Maj Faruq Hamadullah, in addition to several other military and civilian personnel, including the secretary-general of the Communist Party, 'Abd al-Khaleq Mahjub, the secretary-general of the Sudan Workers' Trade-Union Federation, al-Shafi'a Ahmad al-Shaykh, who had been awarded the Lenin peace prize, and other members of the Communist Party staff.

Abu al-Qasem Muhammad Ibrahim was a loyal ally to President al-Numayri throughout the incidents which subsequently followed the communist coup, such as the student riots in the latter part of July, and the first part of August 1973, during which President al-Numayri accused the national opposition front for its role in the student incidents. Then there was the coup led by Lt Col Hassan Husayn on 5 September 1975, and the incidents of 2 July 1976 which President al-Numayri's regime labeled the Libyan attack.

Because of the major role which Abu al-Qasem played, al-Numayri rewarded him by appointing him first vice-president after the removal of first vice-president Brig Gen Muhammad al-Baqir Ahmad. President al-Numayri then separated the post of chief of the Socialist Union and its secretary-general into two posts, and entrusted Abu al-Qasem with the duties of secretary-general for the political organization. Upon assuming the post of first vice-president a decree was issued retiring Abu al-Qasem from the armed forces, and Abu al-Qasem no longer carries a military rank.

Abu al-Qasem Muhammad Ibrahim, who has a socialist bent, has worked recently to improve relations with the Jamahiriyyah [Libya] and had met several times with Mr al-T rayki for this purpose. He also carried out a conciliation mission among the contending factions in Chad.

7005

CSO: 4802

FUTURE PROSPECTS OF NUMAYRI REGIME ASSESSED

Beirut AL-SAFIR in Arabic 14 Aug 79 pp 1, 7

[Article: "Numayri Appoints Previous Commander of His Forces in Lebanon as Vice-president. Sudanese Regime Tries To Save Itself by Making Overtures to al-Sadeq, al-Turabi, and al-Mirghani's Son!"]

[Text] Sudanese President Ja'afar al-Numayri in a speech delivered to the nation yesterday announced the appointment of Lt Gen 'Abd al-Majed Khalil to the post of first vice-president of the republic and secretary-general of the Sudanese Socialist Union, the sole party in Sudan, replacing Abu al-Qasem Muhammad Ibrahim, who was fired from his post day before yesterday.

Lieutenant General Khalil will retain his post as minister of defense.

President al-Numayri also announced that changes in the government and party would be made in the next few days.

Lt Gen 'Abd al-Majed Khalil was commander of the Sudanese force which operated in Lebanon under the Arab deterrent forces' flag; he was later replaced before the force withdrew from Lebanon last year.

After this new decree, and the decree which al-Numayri issued day before yesterday stripping his first vice-president and secretary-general of the Socialist Union, Abu al-Qasem Muhammad Ibrahim, of all his posts, a large question mark exists in Khartoum regarding the step which al-Numayri will now take to strengthen his regime's staff, after the popular outburst led by the students and the railroad workers' strike left clear impressions on the regime, which has appeared much weaker lately. This occurs as the Sudanese people endure a real ordeal because of the crazy inflation of prices and severe shortage of foodstuffs, aside from the noticeable decline in services, especially in electrical and water supplies in the three towns of the capital.

Diplomatic observers in Khartoum say that al-Numayri, who has found himself in an extremely weak position because of the feebleness with which his regime has been afflicted due to the bureaucracy, along with the

spread of corruption and his staff's habit of putting private interests ahead of the national interests of the country, undoubtedly is thinking twice about how he can save himself personally and consequently save his regime, particularly since it has become clear to him that the political organization, the Sudanese Socialist Union, is ineffective. Its membership of 4 million is nothing more than the number of workers in the units which are subordinate to the state. They are registered in their places of work and also have specific amounts of their salaries deducted as contributions, without their having any say in the power structure.

Al-Numayri has now grasped these facts and has taken on the tasks himself of the political organization as its chief.

During the confrontation which he had with the executive and political action leadership last week, al-Numayri launched a violent attack on the Socialist Union leadership and described them as useless. He cited as an example the women's demonstrations in the three towns without the political organization's woman's bureau being able to mobilize the masses for a counterdemonstration.

During this meeting which lasted until dawn, President al-Numayri threatened and castigated the political organization because of the failure of its leadership. He described this leadership in the vilest terms without any of those concerned being able to respond.

Will President al-Numayri announce a solution to the political organization?

Why did he resort to these methods, and what is the alternative? Will al-Numayri allow the political parties to return?

Such questions as these and others are being asked over and over in Khartoum circles, whether they be diplomatic, political or just ordinary citizens who love political debate. Those citizens feel a kind of elation with the outbreak of student demonstrations last week and the railroad workers' strike the beginning of this week, since they have begun to openly voice criticism in the streets and coffeehouses despite the widespread security elements who enjoy vast powers.

Now, what is the step which President al-Numayri will take, and what is the alternative?

Certainly the answer to this question lies with President al-Numayri personally, who was very disturbed by the news of the student demonstrations just as he was by the railroad workers' strike which paralyzed transportation completely and had serious repercussions, especially in the capital, which has no food stocks such as sugar which is transported there by railroad from Port Sudan.

Recently al-Numayri has had contacts, kept apart from his regime's staff members whether in the Cabinet or the political organization, aimed at bringing into prominence new personalities in order to bolster his regime.

These contacts are being entrusted to a number of al-Numayri's friends, including Izz al-Din al-Sayyid, who is one of the influential men in Khartoum and to whom President al-Numayri previously gave a position in the Socialist Union. He also had a ministerial post prior to the 25 May coup. He is one of the leaders of the Democratic Unionist Party and a friend of al-Sharif Husayn al-Mahdi.

Contacts are also being made by Fatah al-Rahman al-Bashir. He is also influential, and arranged conciliation matters in their first stages until the return of al-Sadeq al-Mahdi of the Ummah Party to Khartoum.

It is now clear that al-Numayri wants to expand the scope of cooperation by bringing in a number of Democratic Unionist Party supporters, aside from strengthening al-Sadeq al-Mahdi's group and Dr Hassan al-Turabi of the Moslem Brotherhood, but the consultations al-Numayri had concerning the Unionists have not paid off since the faction loyal to al-Sharif al-Mahdi has defined its position as rejecting cooperation with al-Numayri, in accordance with clear instructions which al-Sharif al-Mahdi's envoy conveyed upon his arrival in Khartoum recently.

If the Democratic Unionist Party adopts this position without deviation, and it is the Democratic people who control it, the Mirghani people will adopt another position, since Ahmad al-Mirghani participated in power after al-Numayri appointed him as a member in the political office along with al-Sadeq al-Mahdi and Dr al-Turabi. However, Ahmad al-Mirghani represents another tendency, different from al-Sadeq and al-Turabi, which the al-Mirghani family has persisted in following, and that is to maintain good relations with Egypt. Therefore, al-Mirghani has kept silent regarding the Camp David agreement, as opposed to al-Sadeq, who resigned in protest over Sudan's support of the treaty, and to al-Turabi, who condemned the treaty without resigning from his post because to remain, in his view, enables him to achieve his goals.

If we consider al-Sadeq al-Mahdi, we find that President al-Numayri is placing much of his hopes on him, because al-Sadeq enjoys wide popular support. However, this support has begun to shrink, since the allies of al-Mahdi's group feel that al-Sadeq erred in accepting al-Numayri's overtures and in his return to Sudan before al-Numayri had carried out all the conditions agreed upon, including:

General freedoms

Freedom of the press

Abolishment of the security apparatus

Release of political prisoners from detention camps

At the same time that he seeks increased prominence from al-Mahdi's group as ministers in the regime, President al-Numayri has thrown a number of al-Mahdi supporters into detention camps, as happened 2 weeks ago and which caused the demonstrations begun by women in the three towns.

Among the Moslem Brotherhood, whose membership has been increasing during the last few years so that they have been able to take over leadership of the Khartoum University Student Federation as well as most of the student groups in the higher institutes and the secondary schools, are those who believe in continuing to participate in order to have the opportunity from the inside to gain control over the regime, while another faction believes that the position as opponents of the regime would be likely to gain new positions for the Brotherhood and strengthen their standing in the community, which could cause the collapse of the regime. Certainly in their view the Brotherhood would inherit power in cooperation with al-Sadeq al-Mahdi's group and certain moderates among the Unionists, such as al-Sharif al-Mahdi's group, and isolating the elements which are known to be subordinate to Egypt.

This is the political chart of Sudan today. If the communists, despite the painful blow dealt to them by al-Numayri in July 1971, work feverishly to stir up the masses and call for political strikes as the only solution for putting an end to the regime, then they know that they have no place in any present or future regime because al-Sadeq, al-Turabi and al-Numayri are all in agreement to banish them.

If al-Sharif al-Mahdi coordinates his efforts today with the communists as his allies in a national front, this coordination clearly would only be transitory because of al-Sharif's historic hatred for them, especially during the period of their participation in al-Numayri's power structure throughout 1969-70 and up until July 1971.

Therefore, al-Numayri is trying to polarize al-Sadeq's group and al-Turabi's group. Regarding al-Sadeq, who has resigned his post as a member of the political office and issued a statement, printed in London and widely distributed in Khartoum, condemning the unilateral peace treaty, he might not be taken seriously again, which would force him to accept participation in the power structure.

Undoubtedly al-Mahdi has conditions including condemnation of the Camp David agreement.

Will President al-Numayri accept al-Sadeq's conditions, in the forefront of which is the condition that he back off from his ally Sadat?

This is the question, and another question is: Will al-Sadeq accept, even on his terms, participation in al-Numayri's regime, which in a few days might become blacker?

COURSE OF OIL, MINERAL DEVELOPMENT DETAILED

Muscat 'UMAN in Arabic 31 Jul 79 p 2

[Article: Oil and Mineral Resources in Our Country; Project for Oil Refinery at Beginning of 1980; Work to Mine Copper Begins in 1981; Geological Survey in Search of Crude Chromium"]

[Text] Oil and minerals constitute the country's most important economic resources, considering that they produce 93 percent of the state's general revenues. The government is seeking to expand production by improving the production methods, in addition to new discoveries.

New Oil Finds

Oil fields have been discovered in three new areas, namely Runib, Jalmud and (Qata) in the southern area. Even though the quantities of oil in these fields have not been determined yet, it is expected that the fields will add nearly 80 million barrels to the oil wealth reserves. Moreover, prospecting is still in progress in the south.

It is hoped that new finds will be discovered to add still greater quantities to the oil reserves.

Project to Develop Oil Fields in South

This project is considered one of the biggest development projects in the country at present. Its goal is to exploit the discovered quantities that we have just mentioned. The project costs amount to nearly 500 million dollars and it is expected that the project will bear fruit in 1980.

The daily production from these fields is estimated at nearly 60,000 barrels, with an increase of 30,000 barrels over what had been expected previously.

This increase has come about as a result of new finds in the same area.

As a result of these finds, an 18-inch diameter pipeline with a length of 450 kilometers has been laid down to carry the oil from the south to the north.

There is no doubt that the oil fields development project will contribute toward raising the country's national income.

Umm al-Tubul Area

The ELF Oman group of companies, in participation with the Japanese Sumitomo Company which has acquired a concession to prospect for oil in Umm al-Tubul area, discovered oil fields in this area after long search and prospecting. The daily production of these fields is estimated at 12,000 barrels of good-quality oil. Production will start at the end of 1980. These companies are currently engaged in further prospecting operations to discover more finds. There are big hopes for finding more oil.

Natural and Liquefied Gas Projects

In the area of Jibal, the liquids mixed with the gas accompanying oil production—liquids with an economic value—are separated and produced as an oil byproduct. After being separated from these liquids, the dry gas is expected to be linked to the government gas pipeline as soon as the project's three pumping plants are completed. Work in these plants is expected to be completed very shortly. Work has also begun on the project for the production of liquefied gas for home use. Work in this project is scheduled to be completed in October-November 1979 so that it may supply the sultanate's markets and homes with their needs of liquefied gas.

Projects Under Implementation

The project for refining crude oil is receiving the state's attention so that it may meet the sultanate's fuel needs. The capacity of this project amounts to 40,000 barrels daily. The economic feasibility study for the project has been completed and it is expected, according to the ministry's plan, to begin its implementation with the start of next year. The work to construct the project is expected at least 2 years.

Gas Pipeline Project

The economic feasibility study has also been completed for the project to extend a gas pipeline across al-Batinah coast to Sahar to supply power to the copper project in that area. The gas pumped through the pipeline will be utilized to operate the electricity plants located along the course of this pipeline with the aim of putting this vital project to maximum use. This alternative will save the large quantities of oil currently used to supply these plants with fuel, thus producing surpluses that will be added to the country's economic revenues.

Chemical Fertilizers Project

The ministry is conducting an economic study on this project in which gas will be used as a source of energy, thus contributing toward the project's economics. When the study is completed and the project's economic feasibility is made known, work to implement it will begin within the framework of the next five-year plan.

The ministry is also studying a plan to make use of the gas by marketing it outside the country. In this respect, there is an agreement with the Emirate of Dubai to market a certain volume of the Omani gas to the area of Jabal 'Ali so as to supply the aluminum industry scheduled to be built there.

Minerals Sector

Copper and Chromium Project: The work plan proposed for this year has been approved and the copper project has reached the phase of implementation. The Oman Mining Company, of whose capital the government owns 75 percent, has chosen the advisory companies that have actually started their work in order to offer the project installations for bids in the next few months. The project costs amount to \$130 millions and its goals is to exploit the copper deposits present in Wadi al-Jazi area. According to the proposed plan, copper production will begin with the onset of 1981. The copper will be melted here in the sultanate and will be exported in the form of a product free of impurities.

Geological Survey

Within the framework of the cooperation existing between the Sultanate of Oman and West Germany, an agreement has been reached to conduct a comprehensive survey for some areas with the promise of crude chromium deposits. It is hoped that the program will begin in the next geological season [sic] and will continue for a period of 3 months. The benefit expected of this survey is to verify the areas where this vital metal is present.

The ministry is evaluating the studies relinquished by the Oman Mining Company in order to offer them to the companies that have expressed interest in getting concession areas in the sultanate. The ministry is also examining the economic feasibility study on crude asbestos in the sultanate which was conducted by a foreign firm previously. The ministry is further drawing a work [plan] with the aim of increasing the volume [sic] and the possibility of exploiting asbestos economically on the basis of a study of the international markets.

The ministry is further drawing up a concentrated program for the aerial photographing of some important areas with the aim of developing detailed geological maps for the area.

Survey on Area Containing Manganese

The ministry has surveyed the area of Ra's al-Hadd where manganese is present and has discovered new sites. The ministry has also conducted a survey on [the sources of] construction materials in the sultanate. Work is currently in progress to evaluate the studies on the basis of these surveys.

The ministry has also drawn up a concentrated program for the southern area and has actually conducted the preliminary surveys. These surveys have revealed the presence of some minerals in encouraging quantities. The ministry has further drawn up a comprehensive framework for a deeper and more comprehensive survey. This program is to be implemented during the time period of the next five-year plan. In addition to the survey, the program provides for some mining activity in the sultanate.

The ministry is also making use of the spheres of cooperation existing between it and the organizations of friendly countries. In this regard, the Japanese government sent a delegation and agreement has been reached with this delegation stipulating that the Japanese government will conduct a study on some geological areas after a preliminary survey is carried out.

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CSO: 4802

FINANCE UNDERSECRETARY GIVES VIEWS ON 5-YEAR PLAN FINANCING, INFLATION

Muscat 'UMAN in Arabic 21 Jul 79 pp 2, 8

[Interview with Muhammad Musa, Undersecretary of Finance; "Our Revenues Have Improved at Better Pace Than Expected; Focus in Forthcoming Plan on Projects with Productive Return; Big Responsibilities for Private Sector in Coming Plan; Four New Vocational Centers to Start Operation in October; I Urge Our Students to Join Technical and Vocational Schools; Position of Omani Riyal Is Stable, Despite Conditions of Dollar; Omani Investor Played Effective Part in First Plan"]

[Excerpts] 'UMAN has been eager to interview Muhammad Musa, the undersecretary of finance. Our goal has been to give the reader a complete picture of our economic conditions and of our future plans. His excellency the undersecretary of finance has been frank and accurate in his statements, has dotted many ii's and crossed many tt's and has drawn up for us accurately the future horizons of the first half of the 1980's.

[Question] The 1976-1980 five-year plan is about to be completed. What degree of success has it had in realizing its goals and what is your excellency's evaluation of this plan?

[Answer] We have an evaluation of the actual results till the end of 1978. On the basis of these actual results, we can say insofar as revenues are concerned that the oil revenues have risen as a result of the price increases, despite the drop in production. However, these increases do not exceed four or five percent of what was expected in the plan.

The increase in oil prices in the past 4 years including the estimated revenues for 1979, has led to an increase of nearly 160 million riyals over what had been expected. Other revenues and aid have also exceeded what had been expected. The most important point that I want to draw attention to is that we have done away with a part of the loans that we had been resorting to.

It is worth noting here that our borrowing policy is geared as much as possible toward avoiding loans from the financial market, focusing on the development of our resources and on concluding loans with the development

funds and the World Bank. The advantage of these loans is that they are given at soft terms, with an interest rate ranging from two to four percent, for periods of 15 to 20 years and that they are development loans.

As I have already pointed out, we have focused on avoiding loans from the financial market, with the exception of this year. The last such loan we acquired was 4 years ago. This year, it has been the first time since then that we get a loans from the financial market for nearly \$150 millions to meet the costs of some projects. The international banks have displayed a strong desire to participate in this new loan. This indicates the confidence of the world banks in the financial and economic position of Oman.

Our Revenues Improved

It is obvious from all this that our revenues have improved at a better rate than expected in the plan. I have not dealt in my assessment with the results actually expected for 1979. What I have talked about concerns the actual results for 1978.

As for spending, with the rising oil revenues and cost of living, prices rose by certain rates and this resulted in higher spending than had been expected.

This is insofar as the financial evaluation is concerned. As for the quantitative goals we had included in the plan, we have realized some of them and others are being materialized.

The detailed goals called for the implementation of several projects, including for example, development of the oil fields in the southern area. Work to develop these fields has already begun and we expect them to start production in August 1979.

As for the copper project, we have concluded the consultative agreements concerning the blueprints. The contracting work to implement the project will be submitted for bidding at the beginning of next year, with production to start at the beginning of 1981, God willing.

The plan's quantitative projects also call for implementing the Oman Development Bank project. The bank has actually opened and started its operations. It has also begun to participate with Omani companies in the sphere of studying industrial, agricultural and fishing projects and has started to offer technical and financial advice to these companies.

One of the quantitative goals of the plan called for the construction of popular housing and of four vocational training centers. These centers will start operation in the coming month of October. Plans and blueprints for a number of specialized technical institutes were started in 1976. These plans include the teachers institute and the agriculture institute in Nazwa and the industrial institute in Sahar. All these institutes will start their operations before the end of this year.

Studies are also being conducted on several projects, including the oil refinery project, the gas pipeline to Sahar and the cement plant. It is expected that bids for these projects will be invited at the end of this year and that their implementation will then start.

Yes, We Have Faced Obstacles

[Question] It is obvious that the plan has included numerous goals and has been diversified. What are the obstacles that have faced implementation of the 1976-80 five-year plan?

[Answer] From the executive aspect, we have had [problems] like any developing country, especially with our circumstances in the sultanate. We started recently and considering that the 1976-80 five-year plan is the first in the history of Oman, this plan contained numerous ambitions while being drawn up.

When you come to implementation and completion, it is natural that you will face obstacles, some administrative and some pertaining to manpower because there is a shortage of cadres to study and operate these projects. These were the most significant obstacles.

As for the other obstacles, such as securing the financing necessary, we have not, God be thanked, faced such obstacles because all the projects included in the plan were listed after advance financing had been secured.

The most important obstacles we faced have been administrative and manpower obstacles.

[Question] In case oil, which represents the state's main source of revenues, is depleted, what are your plans to create an alternative that produces the revenues to cover the state needs?

[Answer] We focus in the plan on the assumption that oil will run out in 15 to 20 years. This is why we have to take the necessary steps to replace the oil by other resources that make up for the oil, such as setting industrial projects to help us do away gradually with some imported commodities and, perhaps, to export a part of our production.

There are also the agricultural projects to encourage and enhance this sector to yield productive returns that contribute toward increasing the national income and that help us to cut down imports and to export the surplus. There are also the fishing sector and other sectors. We believe that we cannot produce alternate revenues or replace the oil by alternate sources of income in 2 to 3 years. Even the big oil producing countries [sentence incomplete]. We have had oil since 1967 only and we should keep in mind that there are countries that started producing oil in the 1950's and that have not yet been able to reduce their dependence on oil. Oil still constitutes nearly 70 percent of the government revenues and nearly 55 or 60 percent of the national income because with the rising oil prices, the oil revenues have risen in comparison with the total revenues whereas the other revenues have declined.

Our sultanate is in a better position than other oil exporting countries because we have the cultivable land, the water resources and the sea. All these are production factors that will enable us, with God's grace, to achieve success in our efforts to diversify the sources of revenues.

[Question] In light of the experience of the preceding plan, have you included studies or indicators for certain projects in the list of projects for the future plan?

[Answer] The next plan is the subject of discussion and study at present. There are projects that will continue beyond the present plan and end in the next plan, such as the cement project, the Sahar gas pipeline project, the copper project and the plan to bolster the Oman Housing Bank materially so that it may play its part in providing loans to the citizens to enable them to build their private houses.

As for new projects, the focus will be on projects with productive returns, such as agricultural and fish projects, and on encouraging the private sector to participate in these projects with help from the government and with partial financing from the Development Bank through long-term loans with low interest rates, with the remainder of the financing coming from the private sector's own resources, so as to enhance development and to raise the Omani citizen's individual income, as well as the national income. The focus will also be on improving and spreading the services to all parts of the country not supplied with them yet. I will mention for example the construction of popular housing in the various parts of the sultanate.

[Question] It is well known that the rise in the prices of oil imported from the oil producing countries has affected strongly the prices of industrial and consumer commodities. To what degree will this rise in international prices affect the plan's projects?

[Answer] The increase in oil prices naturally affects the prices of all commodities. But it is also possible to say that the increase in oil prices is due to the rise in the prices of the commodities produced by the industrial countries and due to the constant decline in the value of the U.S. dollar because oil prices are set in the U.S. dollar.

As for the impact of rising prices on the plan's projects, we have implemented a part of all the projects approved in the plan and work is in progress to implement the remaining part. We have not cancelled any project because of rising prices. We may have been compelled at times to increase the allocations for a certain project as a result of increased prices. In view of the fact that all projects are now offered for public, open and free bidding and in view of the fact that there are numerous Omani and international firms founded and present in the sultanate, we frequently find that the bids received by the Bids Council cost much less than what is estimated for the projects. This is due to the strong competition among the companies.

[Question] Does the link between the Omani rial and the unstable U.S. dollar affect the fundamental monetary value of the Omani rial?

[Answer] The Omani rial is linked to the U.S. dollar because the oil revenues which constitute 90 percent of the government's intrinsic revenues are all priced on the basis of the dollar and paid in dollars.

As a currency, the Omani rial has a 100 percent gold cover and cover in other currencies, such as the Deutschmark, the Swiss franc, the Japanese yen and the U.S. dollar. Therefore, there is no place for fear over the strength of the rial.

However, there is no currency in the world with a stable price because the age of the fixed currency prices has gone.

We also find that there are many countries whose currency is tied to the dollar and other countries who have tied their currency to a number of other currencies (the so-called currency basket). However, this does not protect them from fluctuation in their currency prices, even though this rate of fluctuation may vary.

As for the rial's purchasing power, because the Omani rial is tied to the dollar, the price of the rial in other currencies fluctuates according to the dollar value in these currencies. Moreover, the dollar value does not decline constantly. This price rises at times and drops at others. We cannot say that these fluctuations in the dollar value have a negative impact on the rial's purchasing power because a lot depends on the countries from which we import materials for our use and on the degree of the rise or drop in the value of such countries' currencies in comparison with the dollar.

[Question] In light of all of this, can Your Excellency tell us about the country's current financial position?

[Answer] The government's financial position is good and is much better than when the state's annual budget was prepared. It was expected that we would have a deficit of 108 million riyals. But due to the rise in oil prices, I expect this deficit to diminish by a very large degree and expect that we will ultimately have a very small deficit. The government's financial position is strong and sound. All the financial circles attest to this fact. When we entered the market this time with the idea of getting a 200-million dollar loan, all the big world banks were among the group that welcomed participation in advancing this loan to the government and expressed strong desire to do so. We have now reduced the value of the loan from \$200 millions to \$150 millions because our revenues have risen by a large degree and we no longer need the first sum.

As for the monetary position, it is true that the banks do not have now, or did not have at the beginning of the year, enough liquidity, especially in Omani riyals. But according to my information, the situation has begun to

improve and the liquidity situation has actually improved after energetic spending on the development projects by the ministries. The liquidity has, as I have already said, improved vastly because the ministries plan and design their projects and offer them for bids at the beginning of the year. These projects may take time [to reach the stage of implementation] but now most of the ministries have begun to implement their development projects and have begun to spend the development allocations made for these projects. We expect the liquidity to improve further and further and the activity to become more energetic.

The Omani citizen has actually played a tangible role. When discussion of the next plan comes into the picture, dependence on the private sector will be extensive.

8494

CSO: 4802

SULTANATE OF OMAN

IRON MILL PLANNED FOR AL-RUSAYL

Muscat 'UMAN in Arabic 14 Aug 79 pp 1, 8

[Article: "Official Source of Ministry of Commerce and Industry Tells 'UMAN: Iron Mill in al-Rusayl Will Cost 14 Million Riyals; Private Sector to Participate in Seven New Industrial Projects"]

[Text] 'UMAN has learned that the iron mill scheduled to be set up in al-Rusayl industrial zone will cost 14 million riyals, will take 2 years to build and will have a production capacity of 100,000 and 120,000 tons annually.

The advisory services agreement for conducting a study on setting up an iron mill in the sultanate was concluded with the Dustur Advisory Company at the headquarters of the Ministry of Commerce and Industry last Saturday.

The agreement was signed on behalf of the ministry by Engineer Sulayman Barakat al-Lamaki, the general director of industry, and on behalf of the company by Dr Dustur.

The signing ceremony was attended by a number of the ministry's high-ranking officials and by company representatives.

The project calls for conducting a technical and economic feasibility study on the construction of a plant for the production of rolled iron from scrap iron for use in construction and for other purposes. The project is to be located in the industrial zone scheduled to be set up in al-Rusayl.

The construction of this project is expected to help establish a strong base for the iron and metal industries and achieve industrial progress in the country.

'UMAN has also learned from an official source at the Ministry of Commerce and Industry that there are several other industrial projects, some of which are under implementation and some in the phase of study, including plants for marble and glass, for vegetable oils, for powdered soap, a natural gas plant, an oil refinery, a fodder plant and a salt plant scheduled to be set up in Qurayyat, in addition to expanding the grain silos.

The source said that these projects will be carried out with the participation of the private sector.

LATAKIA'S AL-SINN WATER PROJECT EXAMINED

Damascus AL-BA'TH in Arabic 22 Jul 79 p 6

[Article by Ilyas Khuri: "Second Phase of Project to Draw al-Sinn Water to Latakia; Project Secures Water for City Until Year 2000 and Saves It From Its Crisis and From Salinity of Its Water"]

[Text] Is the world heading toward a water crisis similar to the energy crisis from which it is currently suffering?

It seems so. This is what numerous signs and statistical and research expectations indicate.

Drinking water in the world, like all the world's other resources, is limited in quantity and depletable as a result of increased consumption emanating from the vast population growth which, it seems, nothing will curtail.

The figures say that the volume of fresh water, drinking water, in the world is 3 billion [kilyarat] cubic meters. Since existing on earth, man has consumed nearly 1.2 billion cubic meters of this quantity. This means that the remaining volume of fresh water amounts to 1.8 billion cubic meters. When we learn that the world's population will reach 6 billions, i.e., that it will double in nearly 30 years, then it becomes obvious that the reserves of this vital necessity of life are declining decade after decade and that the day on which the world will stand at the threshold of thirst will not be far.

Consequently, the world started several years ago to look for alternatives and solutions, including the utilization of the various water resources available and the preservation of these resources as one of the world's most important treasures, as well as drawing up plans to curtail water consumption and reduce water waste as much as possible. Moreover, various efforts and studies are channeled toward the desalination of sea water for drinking purposes.

It is on this basis that interest in drinking water has appeared in our country. In addition to the large increase in water consumption resulting from the big population growth experienced by the country and to the

inability of some fundamental water resources to meet the population's needs and requirements, the natural conditions play a part in making the water problem in Syria critical, considering that Syria is located in the dry half of the world on the one hand and that it has had meager rains, especially last winter, that have affected its reserves of this essential life substance on the other hand.

Here is where the significance of the water projects being implemented in the country emerges--projects such as the one-billion [Syrian] pound projects that are being implemented by al-Fijah Water Authority in Damascus, the project to draw the Euphrates River water to Aleppo and the second project to draw al-Sinn water to Latakia, in addition to a number of other water projects at the level of subdistricts and zones.

Al-Sinn Project

The second project to draw al-Sinn River water is considered one of the most important projects implemented in the Governorate of Latakia which has suffered a major two-edged water problem: One edge represented by the inability of a large part of the inhabitants to get water and the second edge embodied in the water salinity. This project has come to reduce this problem as much as possible and to secure drinking water for the city until the year 2000.

What is this project and what is the water story in Latakia? Engineer Midhat Abu-al-Shamlat, director of the Latakia Water Authority, and Engineer Fawwaz Bulbul, the project director, answer these questions.

In the 1920's, scientific studies were made for the first time on a project to supply water to Latakia by utilizing the natural water spring located near the village of Difah, at a distance of 20 kilometers from the city. The first pump was installed in 1925 and the number of subscribers to the project amounted to 1,500 subscribers only. The length of the network amounted to nearly 15 kilometers and the population amounted at the time to 40,000 people.

Since that date, the social and economic conditions began to change and work at the Latakia port started. Latakia began to expand horizontally and vertically and the first project was no longer able to supply the population's water needs. Several shallow and artesian wells were dug. This situation continued until 1960 when it became obvious that it was necessary to look for another source of water capable of securing the needs of the developing city in the long run. As a result of initial studies, it became clear that al-Sinn River, which is close to Baniyas, is the best source of water and this project was consequently designed. However, construction of the project was not completed until 1971. By then, this city's needs had exceeded the project's capacity of 30,000 cubic meters daily. The increased demand came as a result of the delay between the time the studies were conducted on the project in 1961 and the time the project was completed

in 1971, in addition to the unexpected population growth. It had been estimated that the city's population would reach 105,000 people by 1970 whereas the figure amounted to 125,500, excluding the unplanned expansion areas [manatiq al-mukhalafat] which had a population of nearly 20,000. This made the need for quick expansion in the following years obvious.

Accordingly, a study was made to implement the second project to draw al-Sinn water to the city. This project called for strengthening, expanding and increasing the capacity of the first project, taking into consideration the new conditions of the city of Latakia--the rising standard of living and the foundation of Tishrin University and of the tourist town--and providing water to a larger number of villages located along the course of the project's waterline.

The project consists of two parts: The original project and the reinforcement project. The original project consists of two pumping stations, one at al-Sinn site and the other near the city of Latakia. The first pumping station, near al-Sinn, has a capacity of 2,000 cubic meters [daily] and the second, near the city of Latakia, has a capacity of 10,000 cubic meters daily. The project further includes two pumping lines, the first with a length of 1,000 meters and the second with a length of 762 meters, in addition to a flow line with a length of 136 meters.

The reinforcement project consists of:

The pumping line from the water purification plant at al-Sinn site to an elevation of 78 meters above sea level. This line has a diameter of 1,000 millimeters and is built of metal piping with a total length of 762 meters. It provides a flow of 40 cubic meters per second.

A flow line with a diameter of 1,000 millimeters and with a total length of 36 kilometers, beginning at the equilibrium storage tanks [khazzanat al-tawazun] and ending at the pumping station, in addition to a semi-flow line with a length of one kilometer and a diameter of 1,000 millimeters.

A purification plant at al-Sinn site with a capacity of one cubic meter per second.

A pumping station at al-Sinn Lake.

An equilibrium storage tank with a capacity of 2,000 cubic meters near al-Sinn station.

Distribution tank for the city of Latakia with a capacity of 10,000 cubic meters.

The project costs have amounted to 60 million Syrian pounds.

Future Expansion:

In view of the city's big expansion, both horizontally and vertically, of the creation of tourist sites and of the city's need for water, there must be another [project] expansion to meet the population's water needs. The authority is currently studying a number of projects, such as enlarging the purification plant, building a [distribution] tank with a capacity of 50,000 cubic meters and replacing the city's internal water network by [a network to serve until] the year 2000.

8494

CSO: 4802

ELECTRICITY, ROAD, OTHER PROJECTS TO BE CONSTRUCTED IN RURAL AREAS

Damascus AL-THAWRAH in Arabic 2 Aug 79 p 4

[Article: "Contracts Awarded for Electrification of 76 Villages in Aleppo's Rural Areas; Cost of Number of Organizational Projects in Tartus Is 35 Million Pounds"]

[Text] The service projects in some governorates have made good strides. Attention is focused presently on electricity, water and flood control projects. Within this framework, contracts have been awarded for the electrification of 76 villages in Aleppo's rural areas and a sum of 35 million pounds has been allocated for a number of organizational and service projects in Tartus.

In Aleppo, contracts have been concluded for the electrification of 70 villages in the governorate's rural areas after completion of the technical studies in order to link these villages with the electric current. The executive works for these projects, such as driving wooden poles and extending electricity cables, have already started.

The northern area's electricity director has said that he expects work in these villages to end during the coming month of October.

He asserted that work is in progress to install transformers in order to improve lighting in the popular quarters, in addition to lighting a number of new streets, public parks and autostrads at the city's entrances.

On the other hand, the governor recently concluded with the Military Housing Agency a contract for lighting the Aleppo Citadel wall at a cost of 750,000 Syrian pounds.

An official source of the Tourism and Antiquities [Ministry] has said that this important project is expected to be inaugurated on the anniversary of the corrective movement led by comrade struggler Hafiz al-Asad.

In Idlib, the Idlib Municipality has been granted one million Syrian pounds in aid to enable it to implement many of its projects in order to develop

its services. Moreover, a sum of 2 million Syrian pounds has been allocated for the Transportation Directorate to complete its plan to open and pave more roads in the governorate. A sum of 600,000 pounds has also been allocated to supply water to thirsty villages and to open roads.

This was stated yesterday by the Governor of Idlib following his return from Damascus and his discussions with the officials on matters concerning the governorate's affairs, its needs, the actual state of the projects being implemented in it, the difficulties facing the work and the measures capable of insuring the proper implementation of these projects and the development of the services offered to the brother citizens.

In Tartus, the mayor described the projects being currently implemented by the municipality throughout the city as extremely important projects that will play a major part in the city's development and progress in the various spheres. Of these projects, the mayor pointed out the project for the eastern corniche, the project for flood control, the industrial zone, the new slaughterhouse and the organization of the city's squares and entrances--projects with a total cost of more than 35 million pounds.

The mayor also pointed out that the municipality carried out in the past 2 years a number of service projects, including water, road and sewerage projects, sidewalks and public parks, in all quarters of the city at a cost of nearly 20 million pounds.

Foremost among the projects to be implemented by the municipality in the future are the projects to organize the city's center, to utilize the old city for tourist purposes, to draw up plans and carry out studies on the proposed expansion areas and to provide these areas with networks of public services and utilities before permission is given for the exploitation of these areas for the construction of public and private installations.

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GEN MUSTAFA TALAS AFFIRMS SYRIA'S STRENGTH TO CONFRONT ALL ENEMIES

Kuwait AL-WATAN in Arabic 11 Aug 79 p 15

[Interview with Syrian Minister of Defense Gen Mustafa Talas, conducted by AL-QABAS correspondent Khalil al-Taqi: "Syria's National Position Is Beyond Modification or Change"; date and place not given]

[Text] Syrian Minister of Defense Gen Mustafa Talas said that the Syrian command is concentrating on establishing a scientific structure in the armed forces which will enable these forces to comprehend military technology at the highest levels. He also asserted that the Syrian national position is fixed, and cannot be budged by any factors or pressures.

These remarks came in an interview granted by General Talas to AL-QABAS. The general also stated:

"Today we are resisting enemies of our nation who are waiting for our people to meet with disaster. They are making preparations to achieve their goals and ambitions, relying on the latest plans cooked up by American imperialism and the latest techniques of murder and destruction it has attained. This position requires us to exert all of our efforts to become the hard rock upon which all of our enemies will founder along with all of the plans and plots they have prepared. Our means to this end is the Arab fighting man who possesses faith and weapons and comprehends military technology at the highest theoretical and scientific levels. Knowledge is the foundation upon which we depend in every move toward the goal of building our armed forces. The establishment of the al-Asad Military Engineering Academy in Aleppo is an example of the command's concentration on establishing a scientific structure for the armed forces. Moreover, the programs in our military colleges and schools have encompassed a broad range of scientific matters in addition to their numerous and varied accomplishments in other fields. This enables us to say that our ideological army has become firmly based on the strongest of sound scientific principles."

Security of Arab Countries

General Talas added:

"Our war today--with our faith in our cause as a just cause and in the will to fight and remain steadfast--is a war of knowledge and technical know-how. The hopes of the Arab masses everywhere in the Arab world rest today on our ideological army now that it has become the main force qualified to confront the enemy and the spearhead directed at all conspirators against our nation's causes. This position and this trust increase the scope and content of our army's mission, for we are responsible for deterring the enemies of our Arab nation wherever they may be, as well as maintaining the security of sister Arab countries and the safety of their territories and citizens. This lofty mission dictates that we always be at the highest level of combat readiness and constant preparedness to implement the missions assigned to us with the greatest degree of scientific competence and combat potential.

Syrian Role in Lebanon

The Syrian minister of defense and first deputy of the supreme commander of the army and armed forces touched on the situation in Lebanon and the Syrian role there:

"The role that our armed forces has played in Lebanon springs from the national mission which our army was originally founded to perform in any part of our great Arab nation. This role is not limited merely to repelling the treacherous bullets aimed at the hearts of Lebanese and ending the bloodshed. On the contrary, this role was centered especially around resisting criminal attempts to disguise the Arab face of Lebanon and preventing the disaster of partitioning, a disaster which would entail the fragmentation of Lebanon--and consequently the weakening of the northern front and increased pressure on our Syrian Arab country--and an attempt to upset our firm positions in order to make it easy for the conspirators to (penetrate) the front of steadfastness and resistance and pave the way to disunion and surrender. Our armed forces have in fact been able to restore tranquility and stability to united Arab Lebanon, and this is what caused the indignation of the Zionist enemy and the other sides involved in the Camp David conspiracy. For they found a location to continue with their conspiring in South Lebanon, but our firm position and steadfast stance paralyzed the conspirators. The whole world has heard of how our combat planes opposed the planes of the enemy which sought to spread alarm and destruction among the population of South Lebanon. It is natural for our planes to continue opposing the enemy's attempts in keeping with our national positions from which no force on the face of the earth can make us deviate."

Vicious Attack

General Talas said:

"Our nation is being subjected to a vicious attack aimed at impairing our steadfastness against policies which are inimical to the desires and stability of our masses so that they can be subjugated and led into blind subservience to imperialism and Zionism. These conspiracies mount continuously and progressively. The threads of these conspiracies are woven in more than one place, and more than one side carries them out. Though all the conspiracies have as their object the existence and fate of our Arab nation, they are centered on our Syrian Arab country because it is the strong national pillar of the Arabs and damaging it would affect the Arab position. This heavy concentration aimed at the steadfastness of our country is evident proof that our country under the leadership of President Hafiz al-Asad is pursuing a course which robs the Zionist and imperialist interests of sleep. It is natural for imperialism and Zionism to adopt a position of extreme hostility toward Arab Syria, and there is no clearer testimony for us than this. The assault attempted to divert Syria from its goals and objectives in every possible way, but they have not been successful, nor will they be. They tried to lead Syria down the road of surrender by every possible method and temptation, but Syria exposed these tricks. They tried to coerce Syria into submission after Sadat agreed to surrender, but the response was Arab disdain. They attempted to distract Syria with peripheral battles, but the attempt failed. They fabricated civil strife in Lebanon with the aim of exhausting our country and distracting it from its main cause, but we resisted the conspiracy and broke its continuity, and we are fighting to root it out forever.

A Conspiratorial Chain

General Talas stated that the massacre at the Field Artillery College in Aleppo was a link in this conspiratorial chain, and that its purpose was to create a big break in the internal front, weaken confidence in the armed forces and damage their reputation and capabilities.

He said that the group of Moslem brothers which did this has actually been committing acts of violence and assassination in the country since 1975. He added: "We have declared a campaign against them until they are exterminated from Syrian territory forever."

General Talas also said: "The conspiracies continue against the steadfastness of Syria and particularly the Palestinian resistance, and they are developing in scale and methodology. One of the most recent links in the chain of conspiracies is the assassination of the martyr Zuhayr Muhsin while he was returning from the African summit conference where he headed the PLO delegation. Prior to this there was the assassination of the martyr 'Ali Salamah, 'Abu Hasan.'"

He concluded the interview by saying: "This will serve only to increase our steadfastness, faith and perseverance in the struggle until our objectives of freedom and return are realized."

POLITICAL CURRENTS IN TUNISIA EXAMINED

Longon AL-HAWADITH in Arabic 31 Aug 79 pp 22, 23

[Article: "Tunisia Torn by Factions; Maneuvers Precede Destourian Conference; Islamic Movement Rejects Arab Character 'Because Arabs Are Hypocrites;' Hedi Nour To Have Succession, and Coup Is To Follow Succession"]

[Text] The success of the tourist season in Tunisia this summer defies description. Because of the large number of tourists the government was advised to increase the number of policemen in tourist areas. Tunisians are saying that their country benefited from the instability in Lebanon and in Iran; from the Arabs' boycott of Cairo; and from the relocation of Arab League offices to their capital.

A Tunisian official told AL-HAWADITH, "We regard the relocation of the Arab League to Tunisia a major victory that reinforces the gains we achieved years ago. There is, in particular, the openness to Saudi Arabia and the Gulf: the number [of visitors] coming from the Gulf to Tunisia this year amounted to five times their number last year. We have received benefits from the Arabs as a result of Bourguiba's sedate and wise policy. The situation must be stable so we can secure Arab money."

In spite of the obvious benefits, however, the Tunisian Government was hesitant about relocating the offices of the Arab League. It feared the negative impact that this move may have on the political situation inside the country. The Tunisian Government, therefore, took firm security measures: it kept the league offices away from the center of the capital and located them [instead] on the road to the airport. With regard to housing, it is trying to keep league officers away from the center of the city.

But there are many factions at work in the interior policy in Tunisia. As the Destourian Party Conference approaches this month, the old discussion about the succession of Bourguiba and the possibilities of struggle within the party was renewed.

Tunisians, unlike the Destourians, compare the upcoming conference of the Destourian Party to the 1971 Monastir Conference when the faction of Ahmed Mestiri and Hassib Ben Ammar became victorious. But Bourguiba turned the tables against this faction in favor of Hedi Nouira, the current head of government and the more fortunate successor. The two factions that are competing now within the Destourian Party are the faction of Hedi Nouira, on the one hand, and that of Party Director Mohamed Sayah, on the other. Each one of them fears the recurrence of what happened at the Monastir Conference: that Bourguiba would turn the tables against him if he were to achieve a decisive victory.

Among the most conspicuous maneuvers that have taken place on the Tunisian scene recently was the return of former Minister of Justice Mongi Kooli to the party after his removal from it. Kooli nominated himself in his home town, Ksar Hellal, with the efforts of Hedi H Nouira, and he won the battle. But the administration of the party refused to recognize the legality of his return. Party leaflets against him were distributed in Ksar Hellal, especially since he had become involved in the salutary game for the party conference. A Tunisian official states that Kooli's victory meant that Hedi Nouira had scored a victory over Party Director Mohamed Sayah.

Each one of these two factions has contacts with the opposition abroad and especially with Ahmed Ben Salah leader of the People's Unity Movement /MUP/. Habib Bourguiba, Jr who is the favorite of Sayah's group, met with Ben Salah in Geneva months ago. Hedi Baccouche is playing the role of the intermediary between Hedi Nouira and Ahmed Ben Salah. He is one of those elements that is subservient to Ben Salah's camp since he had been imprisoned with him in 1969. But Nouira gave him the opportunity to return and /to serve/ as liaison with the Tunisian opposition.

What is noteworthy is the fact that President Bourguiba himself did contact the opposition abroad while he was in Paris recently for therapy, but the contact he made was not fruitful. The Tunisian military attache in Paris meet him. This /member of the/ opposition replied that he was willing to meet "the president of the country" but /that he would do so/ as a member of a delegation representing different factions of the opposition abroad. Before reaching an agreement on the date of the meeting, the opposition distributed a statement through the French Press Agency that included four requests which it stated it would submit to Bourguiba during the proposed meeting. But Bourguiba disregarded the meeting and returned to Tunisia.

Each one of the two competing factions within the Destourian Party is supported by a specific base. It would thus be difficult for either one of them to settle the situation to his own advantage without the occurrence of dramatic developments. Prime Minister Hedi Nouira is supported by the technocrats who are responsible for the administrative and professional machinery in the state. Business men who have interests and financial relations abroad also rally around him. Chief among those is Tijani Chelly,

a former minister. Likewise, the bourgeoisie of the capital and the bourgeoisie of Sfax in the south find themselves closer to Nouira than to others /like him/. In addition, there are some elements of the opposition abroad with whom Nouira had established linkages which do not seem to be unsubstantial.

The other faction includes Party Director Mohamed Sayah and Minister of Defense Abdallah Farhat. These two strong men rely on the party machinery; /they rely on/ the judicial system through Mohamed Farhat, the brother of Abdallah Farhat whose position is comparable to that of the republic's government commissioner in the courts; and /they rely/ on the army. Abdallah Farhat carried out significant promotions in the army last month. The most prominent of those were the appointments of six new generals. Three years ago when Farhat took over the Ministry of Defense, there was only one general in the Tunisian army and another one about to retire.

It seems that matters in the police agency are not easy for the faction of Sayah and Farhat because the former Minister of the Interior Tahar Belkhodja used to head this agency, and he still has his people there. It was recently rumored in Paris that it was possible for Belkhodja to return to the scene with the support of Hedi Nouira and al-Majidah Wassila Ben Ammar, the president's wife. Al-Majidah Wassila had lost part of her forces with the removal of Belkhodja and the placement of Mohamed Masmoudi had advocated the dissolution of the Destourian Party and the reinforcement of the Labor Union under the leadership of Habib Achour. After his return he tried to establish an axis that included him, Achour and Belkhodja and was supported by Nouira and al-Majidah Wassila to turn the tables against Sayah.

The opposition claims that the removal of Belkhodja paved the way for a strike against the union and Habib Achour. The removal was carried out in December 1977, and the events of the union took place the following month. There are those who say that Sayah and Farhat rushed the events of the union on 26 January not only to throw this axis into a state of disarray, but also to embarrass Prime Minister Hedi Nouira.

There is a group outside the centers of power in the Tunisian regime that is loyal to President Bourguiba himself. This group is calling for adoption of the solution that is being proposed by the president for the future. The influence of this group has been strengthened with the appointment of one of its leaders, Chadli Klibi, as secretary general of the Arab League. One of the other most prominent figures of this group is Allala Laouiti, the president's private secretary.

There are also screenplay writers who are taking into consideration the fact that the army can play a role that it did not play in the past. On the other hand, these screenplay writers are saying that this role is to be deferred because it would not be possible during Bourguiba's life time. It would be possible, however, in the administration that will come after

his. If none of the two principal factions can defeat the other, one of them will have to depend on the army. A general who will lead Tunisia after the grand fighter will emerge at that time.

But the Tunisian opposition has reservations about this screenplay because it is not forgetting that Minister of Defense Abdallah Farhat is an ally of Mohamed Sayah. It is, however, taking into consideration the fact that Farhat may abandon his ally if he feels that the price will be the succession to Bourguiba.

What remains is the Tunisian opposition which is abroad. The larger portion of this opposition is abroad and the smaller portion is inside the country and outside the regime. This opposition consists of scores of contradictory groups that comprise, however, principal factions, the most prominent of which is the People's Unity Movement /MUP/—Ahmad Ben Salah; the Movement of the Socialist Democrats--Ahmed Mestiri; and the Islamic Labor Movement--Hassan Ghodbani.

The Islamic Movement in Tunisia has recently flexed its muscle, especially after the victory of Khomeyni's revolution in Iran. But this movement is not organized, and it is led by a well-balanced trio that includes Chanouchi. Of the three, he is the one who is most open to social matters, and he has reservations about the campaign against al-Qadhdhafi within the Islamic Movement. The second member of the Islamic trio is Attorney Abdelfattah Moro. He represents the traditional bourgeoisie, and he is a member of the Council for the Defense of Liberties. The third and the most outstanding member of the trio is Hassan Ghodbani who in the past had been a radical communist. The arbitrator for the members of this trio is al-Shaykh Mohamed Salah Ennaifar who belongs to an ancient religious family.

The Islamic Movement expresses its views in the AL-MA'RIFAH Magazine. This magazine makes it clear that there is a Saudi lobby, a Libyan lobby and an Iranian lobby.

AL-HAWADITH conducted an interview with Hassan Ghodbani about the increasing popularity of Islamic movements in the Arab world. Ghodbani began his conversation by underscoring his own importance. He told a story about himself that is attributed to President Bourguiba. He said that the Tunisian president had upbraided Hedi Nouira by telling him, "You are paying attention to Ahmed Mestiri, to Ahmed Ben Salah and to Masmoudi, and you are ignoring the real danger who is Ghodbani."

Ghodbani says that the first enemy of the Islamic Movement in Tunisia is Mohamed Sayah. Ghodbani claims that Sayah had said, "Cut off the head"--that is, Ghodbani--"and the roots will wither."

It was Mohamed Iqbal who brought back Ghodbani to Islam. Ghodbani says of him, "He is my master!" He supports a return to women's use of the veil. It is said that Iqbal had said, "Islamic clothing protects the beauty of a beautiful woman and guards the ugliness of an ugly woman."

Ghodbani rejects the notion of an Arab character and of an Arab nation because pan-Arabism in his words is "something rotten." Ghodbani says that the Arabs were the first to fight the Messenger of God. "Pan-Arabism is a pre-Islamic attitude, and it is forced upon people, but the Islamic faith is a matter of choice."

"Palestine," says Ghodbani, "will not be liberated but by Islam. The Arabs will not liberate Palestine; nor will Fatah or the PLO. God will not bring victory to this land at the hands of those people."

Ghodbani attacks Libyan President Mu'ammr al-Qadhdhafi and says that he delivers a lecture against him every Saturday at the Sidi Mhriz Mosque because "he attacked the Messenger of God and denied the Prophetic Tradition. We reject him because he brings no good to the Islamic nation. He is rather a disaster with which this nation has been afflicted just as it was afflicted before that with 'Abd-al-Nasir who held up the banner of Arab racism."

Why did Ghodbani become a radical Moslem after having been a radical communist?

Ghodbani answers this question by saying, "I do not consider radicalism an accusation. Whenever I am told that someone is a radical, I become interested in him. It is only the fanatic who wins, as Nietzsche said. There is no radical communist that we can find whose natural disposition is not sound. His natural disposition was idle, and it followed the communist course when it found it. If this natural disposition is aroused, it is aroused just as 'Umar was when he embraced Islam as he was about to kill the Messenger of God.

A communist does not embrace Islam unless he has reached the highest point in communism. This is because deep down communism fails to respond to any question."

Ghodbani regards Khomeyni as the greatest man this modern age has known. He regards the Iranian Revolution as the only popular revolution that has taken place in recent times. He says that non-Arab Moslems are more truthful than Arab Moslems because the Arabs are hypocrites.

What does Ghodbani have in common with his two colleagues, Rached Ghanouch and Abdelfattah Moro? Ghodbani says, "What we have in common is the fact that we did not graduate from a religious school. We rather graduated from the colleges of moral depravity and licentiousness. We were like Moses who was raised in Pharoah's palace, but we were not affected by Pharoah's culture or his practices."

As far as the succession to Bourguiba is concerned, the Islamic Movement favors Hedi Nouira. The movement states, however, that the succession will eventually go to the last person who will get Bourguiba's confidence. So far, succession is assured for Hedi Nouira, but surprises are in the offing.

TUNISIA

RESULTS OF DESTOURIAN SOCIALIST PARTY CONGRESS ASSESSED

Paris AN-NAHAR ARAB REPORT & MEMO in English 17 Sep 79 pp 7, 8

[Text] The French, who left their stamp more heavily on the Maghreb than elsewhere in the Arab world, bequeathed a word to its political vocabulary: *ouverture*. Literally "an opening up," this is more accurately translated as a tactical receptiveness by those in power to the ideas of their critics. The emphasis, in single-party states, is on the word "tactical." More often than not, the purpose of *ouverture* is to dissipate opposition in the harmless babble which occurs when the gags are taken off dissenters united by little more than their enforced silence.

The Tunisian regime, severely shaken in a bloody confrontation with the unions 20 months ago, has apparently concluded that *ouverture* is more profitable than breaking heads. Addressing the 10th congress of the Destour Socialist party last week. President-for-Life Habib Bourguiba hinted that the state should stand above politics and was superior to the party. Its role, he said, should be such that all Tunisians, "however diverse their opinions and however varied their feelings," had confidence in it.

An indication that the regime was prepared to turn over a dark page came in the results at the end of the four-day congress of elections to a new central committee. Mohamed Sayah, once the President's closest adviser and the man widely held responsible for the violent repression of organised labour last year, came bottom of the poll among the 80 successful candidates. It remains to be seen whether he will retain the post of Director of the party's political bureau, whose 20 members will be hand picked by President Bourguiba from the central committee; delegates had already expressed some dissatisfaction with the party machine by voting out a number of well-known figures and replacing them with men described by observers as "technocrats."

Without doubt, the chief beneficiary of the congress was Premier Hedi Nouira. He was elected to the central committee by acclamation after the 76-year-old Mr Bourguiba had paid fulsome tribute to the man officially designated as his successor. "I look forward to the future with confidence and an untroubled mind," the President said. "I am happy to take the opportunity to pay tribute to him for the colossal task he is carrying out and urge all men of goodwill to support him in his endeavours."

It did not pass unnoticed however that several of Mr Nouira's closest advisers failed in their bids to become full or alternate members of the central committee (there are 90 in all). This constituted a veiled warning to the Prime Minister that he will not be without critics or opponents when the Bourguiba era ends.

Indeed, Mr Nouira succeeded at the congress in raising the fears of some dissenters. During a seven-hour speech, he made it clear that his conception of ouverture did not include accepting the "puff pastry" of multi-party democracy; there was, he said, no room in it for "the politically irresponsible," those "born with bitter minds" or "the envious who chase after power like a cat chasing its tail." Some of his harshest criticism was aimed at the unofficial Social Democrats, led by former Interior Minister Ahmed Mestiri; their proposals for a National Pact, in which free speech and a multi-party system would be allowed to flourish in the "constitutional legality enshrined by Bourguiba" were, Mr Nouira said, "lacking a programme or clear aims and without any notion of correct or reasonable values." Such a vague and misguided opposition might be thought to pose no threat; but, the Premier said, it had in its "systematic rejection" of all that was right sought "foreign sponsors and backing."

Commented Mr Mestiri: "If Bourguiba has raised the tone of the debate by developing the idea of a state which is close to ours, Nouira has gone as far the other way in base polemics and narrow sectarianism, Bourguiba today opened a door which Nouira promptly slammed shut."

That analysis may prove unduly pessimistic. The results of the elections to the central committee show that the "year of political gestation" which Mr Nouira forecast 12 months ago (An-Nahar Arab Report & MEMO, September 11, 1978) has borne some fruit.

The basic question is, has the regime learned the lessons of the general strike in January 1978, which left dozens dead and produced vicious repression and show trials? Mr Bourguiba displayed magnanimity and political astuteness when he pardoned Habib Achour and other jailed union leaders last month but Mr Nouira has yet to prove he has those qualities. During the party congress, he blamed the strike and subsequent events on "communists, crypto-communists and other Baathists and the irresponsible and unspeakable (Otto) Kersten," Secretary-General of the International Confederation of Free Trade Unions.

It has long been tacitly understood in Tunisia by those like Mr Mestiri and Mr Achour that they would refrain from serious attacks on the government while the ailing Mr Bourguiba was alive. Mr Nouira will need to display unseen qualities if he is long to survive his predecessor.

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TUNISIA

BRIEFS

FEARS OF NEIGHBORS RECIPROCATED—It has been noticed that Tunisia's relations with its neighbors have been troubled recently in the aftermath of the Algerian-Libyan rapprochement. Algeria's Minister of Foreign Affairs Mohamed Ben Yahia has assured the Tunisians that the rapprochement was not /an action/ against them. But Tunisian apprehensions were restored when al-Qadhdhafi visited Algeria and met with President Chadli Bendjedid and with Algerian officers in the presence of Mohamed Salah Yahiaoui, the official responsible for the Liberation Front Party. This has perplexed the Tunisian Government. A Tunisian official told AL-HAWADITH, "We are doing everything we can to avoid any tension in relations with our neighbors and especially with Libya because we do not want to be caught between Algeria and Libya. Algeria is not happy with us, but it does not want to enter into a confrontation with us. We do know that it is Algeria's state policy and not Algeria's revolutionary policy that has the upper hand now. Furthermore, Tunisia is the social outlet for the Algerian people. In 2 weeks 6,000 Algerians came to Tunisia to tour the country and to shop for goods. There are those who look forward to Tunisia becoming the Hong Kong of Algeria." As far as Libya is concerned, there are old sensitivities. Among them is the failure of the Djerba Agreement to establish unity between the two countries and the dispute /between them/ over the Continental Shelf. There is also the problem of the Tunisian workers who go to work in Libya because of unemployment /in Tunisia/. The Tunisian Government is comfortable with this matter, but it fears that al-Qadhdhafi might recruit them to work for him. Al-Qadhdhafi did make a commitment to the Tunisian opposition that he "would not unleash his wrath" against Tunisian workers when relations between the two countries become tense as was the case in the past. /Text/ /London AL-HAWADITH in Arabic
31 Aug 79 p 22/ 8592

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UNITED ARAB EMIRATES

BRIEFS

UNDERSEA CABLE LINK--The U.A.E. Connexion: The United Arab Emirates, Qatar and Bahrain have signed an agreement to install and maintain a cable on the sea-bed to link the three Sheikhdoms and facilitate communication with other countries in the region.--WAM (United Arab Emirates news agency). [Text] [Calcutta THE STATESMAN in English 3 Sep 79 p 9]

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PREREQUISITES FOR RURAL DEVELOPMENT OUTLINED

San'a' AL-THAWRAH in Arabic 6 Aug 79 p 3

[Article: "The Question of Rural Development: The Problem of the Labor Force in the Yemeni Countryside"]

[Text] The 1970's have seen tangible changes in the economic makeup of the Yemeni society. During that period, there was an increase in the more modern sector's share of the gross domestic product (GDP), especially in trade, communications, agriculture and government services. But the share of traditional agriculture decreased from more than 40 percent in the period between 1960 and 1970 to less than a third of the GDP in 1975-76. The rate of annual growth in the GDP since 1970 has been estimated at between 8 and 9 percent, while the rate of growth in agriculture was slow--a mere 4 percent.

Although those engaged in agriculture constituted 73 percent of the total labor force in 1975, the level of productivity in the agricultural sector is low compared to that in the modern sectors of trade, industry and services. Low productivity can be attributed to several factors. Some have to do with manpower shortages caused by the emigration of growing numbers of people from the rural areas to the cities or to foreign countries. Others have to do with natural causes, primarily weather fluctuations. Still others are related to the problem of the disintegration of agricultural ownership, the use of traditional and backward methods in production, low levels of investment in agricultural production and the low level of education and services which are necessary to the development of the human factor.

Therefore, researchers in rural development stress that the economic goal of raising the level of agricultural production cannot be fulfilled except within the context of a strategy of rural development that would encompass all aspects of life in the countryside. Rural development, moreover, could be attainable if it were based on the principles of self reliance, citizen participation and the fulfillment of the citizens' basic needs.

Using this perspective as our point of departure, we can look at the question of rural development in our country as an effective means to developing and realizing a balanced growth in the countryside and the urban areas. This can also make possible the fair distribution of the results of national investments and development projects among the inhabitants. In that sense, rural development differs from the concept of the green revolution which has faltered, and even failed, in some developing countries in recent times because it had ignored the impediments inherent in the social makeup of the country, including exploitation and social distinctions.

Full-fledged rural development also differs in concept from the traditional experiments of local development. Under such experiments, some states, acting through their local institutions or in cooperation with foreign institutions and governments, concentrated their efforts and attention on certain projects within the local communities. Experience has shown that such projects had a limited return and effect because the role of citizen participation was ignored and the conditions and socio-economic makeup of the population were neglected. Therefore, the philosophy of complete rural development nowadays ventures into wider horizons which encompass the role and functions of services and production in the local society, because concern for the individual's health, social and cultural needs and well-being is necessary for the preparation of the individual for creative work and production, with results that would benefit the society.

Regardless of attempts and starts that have already been made in rural development, rural development projects will ultimately be affected by whatever programming and planning have gone into developmental efforts. Furthermore, the development of cooperative and developmental organizations and agricultural, vocational, professional and multi-purpose associations, including fishermen and marketing associations, will create the proper climate for the rural community's participation in developing its material and human resources and fulfilling its basic needs. To insure the effectiveness of such cooperative associations in the area of rural development, there should be constant coordination between them and the executive and planning agencies of the state --in the exploratory stage as well as in the later stages of project implementation, funding, followup and control, so as to avoid duplication of efforts and the squandering of the society's material resources. An administration could be established within the central planning to supervise and coordinate all aspects of rural development projects.

One of the major problems facing us in the area of rural development is that of manpower. The First Five-Year Plan placed the number of agricultural workers in 1975-76 at 854,000 workers. The rate of overall increase after the completion of the five-year plan is 6.6 percent. The plan anticipates that the increase in productivity will go up to 27.2 percent.

It should be noted that the implementation of rural development projects by the state and the coops, and the achievement of an increase in agricultural productivity depend on several steps, primarily the following:

1--Creating proper conditions for insuring the stability of the rural population, by means of setting up projects, services and industries in the rural areas.

2--Examining the reasons contributing to the increase in the rate of emigration from the countryside to the cities or to foreign countries, and trying to eliminate those reasons, be they social, economic or political.

3--Studying the phenomenon of high cost of living, inflation, high rents in the countryside and the cities--all of which contribute to a gradual increase in the costs of rural development projects.

4--Limiting the importation of unnecessary and luxury goods and commodities which place a burden on the national economy, and discouraging patterns of consumption which are harmful to our economic capabilities and local agricultural resources.

5--Using technological tools that are suitable for conditions in Yemen. The use of various agricultural machinery and tractors has created a number of problems. These include the unsuitability of some machinery to Yemen's natural and environmental conditions, poor maintenance and the unavailability of spare parts on time. Such problems should be studied by those in charge of rural development so that they may be able to select the proper machinery for irrigation, roads, plowing, harvesting and other purposes to get the maximum usefulness out of those tools. Training and technical assistance should also be provided to rural inhabitants in all fields.

Factors impeding the use of technology in agriculture include land ownership patterns, fragmented ownership, the nature of land acquisition and the toughness of Yemen's terrain, especially the plains and high grounds.

Other important steps include the following:

6--The central administration in charge of rural development should supervise the rural development projects being carried out by international institutions and friendly countries in the various areas and provinces of the republic. It should basically participate in preparing and coordinating projects according to need, determining their location, following them up and preparing the manpower necessary for the success of rural development programs.

The availability of the elements of work and organization is no less important than the availability of the material and technological factors which are necessary for rural development, because man, as a working force, is the real capital and the real element in the utilization of the material and natural potentialities and in the creation and development of systems and laws. That is why states and nations pay attention to the task of developing and maintaining their manpower whatever the cost.

As a less developed country, Yemen urgently needs to develop and utilize its human resources so as to be able to overcome the state of backwardness in which it finds itself. The trade boom and the growing remittances of expatriate Yemenis do not present a true image of the degree of social and economic development in the country, unless the mainstay of the economy is founded on production and industry. But these are still in the early stage of growth. Despite the tangible income acquired through the remittances of the expatriates and the effect of that income in improving the living conditions of some segments of the population in the countryside, this phenomenon will, however, remain subject to fluctuations and will remain linked to the changes and variations in the political, economic and international relations, as well as to the law of supply and demand in the labor market. An economic report by the World Bank points out that the benefits deriving from the remittances of Yemeni expatriates are less than the cost of the emigrating work force, especially skilled workers. In this connection, John (Swans), in his book about the impact of emigration on economic development in Yemen, says that the increase in population and decrease in productivity will affect the country's future, because neglect of the land and the continuous decrease in production will ultimately lead to a dead-end road where emigration becomes a necessity, not a choice.

The same researcher affirms that Yemen can only extricate itself from this predicament by imposing the proper restrictions on imports, developing local industrialization and restricting emigration. This solution may not be realistic at this time because the income from industry in principle is less than the income from the remittances of the expatriates.

It is certain, however, that such a program will require substantial sacrifices from the Yemeni people, that without such sacrifices the country will remain condemned to perennial backwardness and growing dependence on others.

In the fact of these pressing economic and social predicaments caused by the emigration of a part of the labor force to foreign lands, the First Five-Year Plan included some basic features of rural development. Those features included an attempt to keep the peasants on the land and to increase their productivity and raise their standard of living in some areas, such as Zubayd, the southern heights, Radi' and other areas where studies and research are being conducted with an eye to setting up new rural development projects.

In the First Five-Year Plan, the planners adopted integrated rural development as a basic strategy in regional planning and in the development of rural areas. Recommendations put forth by the Yemeni development conference in late 1977 emphasize the need for the developmental process to establish a balance between the forces of evolution and development and the forces of tradition and stability. It is utterly essential to maintain viable and effective traditions and historical heritage and to utilize them in the process of modernization and development. Such a process would create the propitious climate for continued progress and development, and would involve society in building an environment suitable for its life and future.

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CSO: 4802

PROGRESS OF WATER, SEWERAGE PROJECTS IN PROVINCIAL TOWNS

San'a' AL-THAWRAH in Arabic 23 Jul 79 p 3

[Article: "Water and Sewerage Authority Projects in the Provinces of Ta'izz, Ibb, Al-Hudaydah, Dhamar; Everyone Wants a Drop of Water; Every Citizen Must Think of the Cost and Effort To Make Water Reach the Faucet In His Home"]

[Excerpt] The Water and Sewerage Authority faced difficulties in earlier contracts, suffering losses as a result of burst pipes, unfilled excavations and the destruction of a number of homes because breaks in the pipelines were not taken care of quickly enough. This, of course, costs the authority huge sums in compensation.

Therefore, we are calling up on the authority to create a permanent emergency crew for 24-hour service. The emergency administration will have a special telephone number so that the citizens can request service as quickly as possible. These are some of our observations. We asked the director general of the authority about projects in the other provinces. He said:

"The authority's 5-year plan includes the following projects:

- "1. San'a' water project, phase one.
- "2. San'a' water project, phase two.
- "3. San'a' sewer project, phase one.
- "4. Ta'izz water and sewer project.
- "5. Al-Hudaydah water and sewer project.
- "6. Ibb water and sewer project.
- "7. Dhamar water and sewer project.

"The authority has completed the field work and water networks in the first phase of the San'a' water project. Work to supply six wells with all the necessary equipment and to link them with the three currently operating wells is in full swing.

"In the second phase, 13 producing wells, 13 exploratory wells and 4 experimental wells have been completed. On 15 April 1979, work began to implement the Ta'izz water and sewer project. The work is going well and is being handled by the ('styfn) pipe group, a Dutch company. God willing, we will complete the project in 3 years.

"In January of this year, work began on the Al-Hudaydah water and sewer project. The project has been assigned to the Korean firm (Sam Won). The technical work is the same as that in the Ta'izz water and sewer project. God willing, the project will be completed in 1982."

The Ibb and Dhamar Project

"The Authority has completed the preliminary studies for the project through a foreign company which has been commissioned to prepare the final designs for the project. The work is proceeding according to the schedule agreed upon with the agencies which are providing the financing, such as the International Development Organization. It will finish the final designs at the end of 1981, and implementation of the project will begin in 1982."

The director general of the Water and Sewerage Authority made the following remarks to the workers in the Authority and its customers:

"As you are aware, the authority provides services. Therefore, each employee must do his utmost to fulfill one of the Yemeni citizens' desires-- enough pure water to meet their daily needs. This desire will not be fulfilled unless we are up to the responsibility that has been put on our shoulders and unless we mobilize ourselves for this good work in earnest and with sincerity and dedication.

"What I have to say to the citizens is this: Respect public property. Do not dig sewers near or over waterpipes, as has happened in some areas. Notify the authority of any breaks in the waterpipes before you harm yourself or your neighbors. Do your utmost to regulate your use of water. Think of others who can only obtain water with difficulty and at a high price.

"Everyone wants a drop of water because water is life. How can we, who only obtain it at great depths and from subterranean reservoirs provided by the limited quantities which fall annually in the amount of two meters, waste our efforts? Each citizen must think of the cost and the effort that has been made to bring the water to the faucet in his home.

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